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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Amnesty International Urges OAS To Reject Death Penalty *[NOTIMEX]* 1
South Atlantic Joint Commission Issues Communique *[NOTICIAS ARGENTINAS]* 1

INTER-AMERICAN AFFAIRS

Regional Representatives Comment on Managua Protocol *[Managua TV]* 2
Argentine Government Confirms 1 Jul Mercosur Summit *[TELAM]* 2
FSLN, FMLN, URNG Leaders Meet, Sign Joint Communique *[EL NUEVO DIARIO 15 Jun]* 2
New Radio Network To Promote Mercosur, Chile Integration *[ABC COLOR 13 Jun]* 3

CARIBBEAN

Cuba

Experts Say Armed Forces Cuts 'Could be Socially Explosive' *[Mexico City TV]* 4
Robaina Addresses Rights Conference Plenary Session *[Havana Radio]* 4
UN 'Punitive Measures' Against Haiti Rejected *[Havana Radio]* 4
UN Ambassador Voices Stand *[Havana Radio]* 4
CECE Delegation Signs Cooperation Agreements With PRC *[Havana Radio]* 4
Council of Ministers Official Meets With Spanish Group *[Havana Radio]* 5
Brazilians Support Solidarity, Exchange Program *[Havana Radio]* 5
Roundup of Politburo Members Activities 11 - 17 Jun *[Havana Radio, TV]* 5
Chamber of Commerce President Discusses Economy *[Havana Radio]* 6
Farmers Participate in 3,107 Vigilance Detachments *[Havana Radio]* 6
ANPP Secretary Addresses Provincial Assembly *[Havana Radio]* 7
Report Notes Matanzas Province Energy Potential *[Havana Radio]* 7

Haiti

Bomb, Gunfire Reported in Port-au-Prince *[Port-au-Prince Radio]* 7
Legislators Accuse Embassy Employees of 'Dealings' *[Port-au-Prince Radio]* 7
Volel Denounces Maneuvers To Hamper Aristide Return *[Port-au-Prince Radio]* 7
Presidential Commission Condemns Reinstatement Vote *[Port-au-Prince Radio]* 8
FNCD Rejects Parliamentary Resolution on Aristide *[Port-au-Prince Radio]* 8
Theodore, Pierre-Charles on Order Restoring Aristide *[Port-au-Prince Radio]* 8
Dupiton: Article 149 Alternative to Aristide Agreement *[Port-au-Prince Radio]* 9
Senator Conjectures on Aristide Response to Reinstatement *[Port-au-Prince Radio]* 9
Cedras Declines Caputo Invitation to New York Meeting *[Port-au-Prince Radio]* 10

CENTRAL AMERICA

El Salvador

Sandinist Officer Discusses Caches in Nicaragua *[San Salvador TV]* 11
FMLN Denies Links With Armed Groups *[San Salvador Radio]* 11
FMLN Opposes Army Captain as New Police Chief *[San Salvador Radio]* 12

Guatemala

De Leon Swears In Foreign Minister, Information Director *[PRENSA LIBRE 16 Jun]* 12

President Discusses Purging of Government Branches *[PRENSA LIBRE 15 Jun]* 12
Army Denies URNG Charges on Bombings in Quiche *[EL GRAFICO 16 Jun]* 13
De Leon on Economic Deterioration, Vice Presidency *[SIGLO VEINTIUNO 16 Jun]* 13

Nicaragua

Communique Issued on Suspension of Guarantees *[Managua Radio]* 14
Companies Refuse Fuel Sales to Cubans *[EL NUEVO DIARIO 16 Jun]* 15
Switzerland Signs Agreement To Reduce Foreign Debt *[Managua Radio]* 15
Urroz Assumes UNO Coordinator Role *[BARRICADA 16 Jun]* 15
* Luis Fley on Difficulties, Goals of PRN *[EL SEMANARIO 13-20 May]* 16
* Middle Class Approaches Poverty Line *[EL SEMANARIO 13-20 May]* 18

Panama

Guatemalan Attorney General Discusses Serrano Extradition *[Panama City Radio]* 19
Talks With U.S. Missionaries' Captors Fail *[EL PANAMA AMERICA 16 Jun]* 20
Official Says Iraqi Involved in Bombing Not in Country *[LA PRENSA 16 Jun]* 20

SOUTH AMERICA

Argentina

Defense Minister: Condor-2 Not or Clinton-Menem Agenda *[TELAM]* 22
Self-Styled Group Declares 'Holy War' on Menem *[NOTICIAS ARGENTINAS]* 22
* Menem on Support for Constitutional Reform *[CLARIN 9 May]* 22
* Broad Reform of Municipal Government Viewed *[CLARIN 3 May]* 23
* Labor Minister on Need for Competitive Edge *[CLARIN 10 May]* 24

Brazil

Perez Interviewed on 'Unexpected Setback' *[O ESTADO DE SAO PAULO 13 Jun]* 25
Planning Minister: No Budget Cuts for Military Ministries *[Brasilia Radio]* 26
Daily Publishes 'Text' of Immediate Action Program *[O ESTADO DE SAO PAULO 15 Jun]* 27

Chile

Foreign Ministry Denies Production of Chemical Weapons *[Santiago Radio]* 33

Colombia

OPEC Secretary General Comments on Possible Membership *[Santa Fe de Bogota TV]* 33
Congressional Commissions Approve Social Security Reforms *[Santa Fe de Bogota TV]* 33
Representatives Comment on Reforms *[Santa Fe de Bogota TV]* 33
Police Seize Large Drug Shipment at Airport *[Santa Fe de Bogota TV]* 34

Ecuador

Finance Minister Cited on Foreign Debt Payment *[Quito Radio]* 34

Paraguay

PLRA Senator-Elect Comments On Military Venture *[ABC COLOR 14 Jun]* 34

Peru

Fujimori Pledges Early End to Terrorism *[LE MONDE 16 Jun]* 35
President Meets With Military, Police Officers *[Lima TV]* 36
Terrorists Attack Former Mayor Michel Azcueta *[Lima TV]* 36
* Government Policy on Human Rights Questioned *[IDEELE May]* 37
* General Robles Views Army Relations, La Cantuta *[CARETAS 13 May]* 39

Uruguay

Government Requests Postponement of 1 Jul Mercosur Summit *[TELAM]* 42
President Removes Military Intelligence Chief *[TELAM]* 42

Venezuela

Velasquez Appoints Defense Minister, Military Command *[AFP]* 42
• Venezuela-Colombia First Quarter Trade Detailed *[EL NACIONAL 5 May]* 43

Guyana

British Troops To Hold Postponed Joint Exercises *[CANA]* 43

Amnesty International Urges OAS To Reject Death Penalty

PA1206005893 Mexico City NOTIMEX in Spanish 2107 GMT 11 Jun 93

[Text] Managua, 11 Jun (NOTIMEX)—Amnesty International, a prohuman rights organization, today urged the 22d [as published] OAS General Assembly to repudiate an eventual implementation of the death penalty in Peru.

The Constitution Commission of the Peruvian Congress on 10 June approved applying the death sentence in cases of terrorism and decided to denounce the San Jose, Costa Rica Pact to be able to apply this measure in the Andean nation.

An Amnesty International communique circulating on 11 June in Managua urges the OAS "to adopt the necessary steps" to present to Peruvian President Alberto Fujimori its "total rejection" of a possible enactment of the death penalty.

The approval of the death penalty came at a moment when the OAS General Assembly session was concluding and "makes evident the little respect that the Peruvian Government has for the American Human Rights Agreement."

Amnesty International has "deeply deplored" the decision by the Peruvian Congress.

South Atlantic Joint Commission Issues Communique

PY1606183393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1537 GMT 16 Jun 93

[Text] Buenos Aires, 16 Jun (NA)—A joint communique was issued simultaneously today in Buenos Aires and London. It states that the South Atlantic Joint Fishing Commission, comprising Argentina and the United Kingdom, today discussed the adoption of "legislative and conservationist measures" during a meeting in London within the framework "of a cordial atmosphere."

The sixth meeting of the joint commission was held in London on 14 and 15 June. The negotiations were conducted under the framework of the so-called "sovereignty umbrella" agreed upon in October 1989.

The communique states: "The delegations received a report from the science sub-committee on the meeting it held between 9 and 11 June. This sub-committee stated that it will need fuller data and more time to accomplish its task. The delegations added that they hope to receive the sub-committee's report and recommendations during its next meeting."

The communique adds: "The commission discussed legislative and conservationist measures and heard a report on future cooperation based on the joint communique issued in December 1992."

Moreover "it discussed the impact on the implementation of conservationist measures on high-seas fishing and reciprocally reviewed the operation of the communications system."

The communique states: "The meeting was conducted in a cordial atmosphere with both delegations offering constructive cooperation to achieve the positive results it has accomplished."

Regional Representatives Comment on Managua Protocol

PA1406192893 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 11 Jun 93

[Report by Erica Ramirez]

[Text] Ambassadors and representatives from OAS member countries signed the Managua Protocol on 10 June, which created the Inter-American Council for Integrated Development CIDI, to give the regional organization new drive and to reduce bureaucracy.

The CIDI resulted from merging the Economic and Social Council, CIES, and the Council for Education, Science, and Culture, which will make it possible to provide more effective technical cooperation in the struggle against poverty, and hence will contribute to consolidating democracy.

[Begin recording, Nicaraguan Foreign Minister Ernesto Leal] We believe this will revitalize the OAS and will reduce bureaucracy, as the organization will only have two councils: the Permanent Council and the CIDI. We believe the OAS can play a very important role in the region's overall development and that the creation of the CIDI in Managua will be a great advantage to all the member countries. [end recording]

The Managua Protocol will simplify OAS administrative functions, which will give the organization a new drive.

[Begin recording Alejandro Carrillo, Mexican ambassador to the OAS] One of the main problems affecting the consolidation of democracy is the lack of economic development and the existence of critical poverty in some of our countries. This condition affects the democratization processes in the region, and hence the importance of technical cooperation. The reforms to the OAS Charter prevent duplicating efforts [words indistinct] and obviously will contribute to carrying out the organization's work more effectively and efficiently. [end recording]

There is optimism that the Managua Protocol will promote the struggle against poverty.

[Begin recording] [Peruvian delegate Alejandro De Leon] I am [words indistinct] the Protocol we have just signed has given us the necessary tools to work with. I am also convinced there is political willingness, as the countries that signed the document on 10 June have shown.

[Venezuelan representative Guido Grosco] In this manner, we are complying with OAS Charter commitments for promoting overall development and we are creating the basis for an effective struggle against critical poverty through cooperation. [end recording]

The signing of the Managua Protocol will contribute to promote the struggle against poverty and the consolidation of democracy, through commitments by OAS member and observer countries.

During the OAS meeting, delegates elected the countries that will comprise the Inter-American Human Rights Commission for a period of four years, starting in January 1994: Trinidad and Tobago, Chile, and Argentina. In addition, Venezuela, El Salvador, and Bolivia were elected members of the Inter-American Judicial Committee.

Argentine Government Confirms 1 Jul Mercosur Summit

PY1706013393 Buenos Aires TELAM in Spanish 2259 GMT 16 Jun 93

[Excerpt] Buenos Aires, 16 Jun (TELAM-SNI)—The Argentine Foreign Ministry has confirmed that the summit of Mercosur [Common Market of the South] presidents will be held in Asuncion, Paraguay, on 1 July and denied reports that Uruguay had requested that the meeting be postponed.

In a communique, the Foreign Ministry confirmed that the presidential meeting will be held as scheduled. A report that circulated yesterday noted that Uruguay had requested that the Asuncion meeting be postponed.

The communique says: "The Uruguayan Government has informed the Argentine Foreign Ministry that it had not requested any postponement of the Mercosur summit."

General Andres Rodriguez, president of the host country, will meet on 1 July with Argentine President Carlos Menem, Brazilian President Itamar Franco, and Uruguayan President Luis Alberto Lacalle.

Mercosur Executive Council members, that is, the four member countries' foreign and economy ministers, also will meet in Asuncion on 30-31 June. [passage omitted]

FSLN, FMLN, URNG Leaders Meet, Sign Joint Communique

PA1506223193 Managua EL NUEVO DIARIO in Spanish 15 Jun 93 pp. 6,8

[Text] The Sandinist National Liberation Front (FSLN), the Farabundo Marti National Liberation Front (FMLN), and the Guatemalan National Revolutionary Unity (URNG) agreed in stating that "if a political solution is not found to the armed conflict in Guatemala, it will be impossible to consolidate lasting peace and democracy" in Central America.

The groups also believe that the situation in Guatemala offers an historic opportunity to begin democratic transformations that will establish the foundations for lasting peace.

Daniel Ortega from the FSLN, Shafik Handal from the FMLN, and Rolando Moran from the URNG, leaders of their respective delegations, signed a joint communique after holding on 12 and 13 June "a friendly meeting to

analyze and exchange opinions and positions" on the situations in their respective countries and in Central America in general.

The Sandinists and the FMLN expressed their complete solidarity with the Guatemalan people and the country's civic groups, which were supported by the URNG and able to confront recent events peacefully and with a historical perspective. Those events included very serious attempts to sweep aside the nascent institutional rule and install a military dictatorship under the disguise of a civilian government.

Confidence in De Leon Carpio

The communique's signatories believe Ramiro De Leon Carpio is well aware of the violations that are a daily occurrence in Guatemala. They trust that his investiture, "infused by the force of a civilian society," will be capable of renewing the negotiations and obtaining an agreement that will result in peace, thus banishing traces of human rights violations that are an affront to the Guatemalan people.

The URNG and the FSLN expressed their support for the peace and democratization process taking place in El Salvador since the signing of the historic Chapultepec Agreement in January 1992. They also agreed to make a common cause the FMLN's efforts to advance the peace process based on both sides honoring the agreements and being interconnected through equality and reciprocity that are intended to generate mutual trust and credibility.

The groups also expressed their conviction that the recent discovery of weapons in Managua, which was described by the UN as a violation of the agreement by the FMLN, as well as indications by the UN secretary general about the Salvadoran Government's noncompliance will be used as starting points for new momentum in the peace process.

Support for FSLN Proposals

The other two organizations applauded the Salvadoran revolutionaries for their transformation into a strong, dynamic political party that expects to participate in the March 1994 elections. They say the "efforts are evidence of the FMLN's commitment to peace and democracy as a viable path for the country's transformation."

In conclusion, the FMLN and the URNG supported the permanent efforts undertaken by Sandinism to consolidate peace and stability in Nicaragua.

They shared the FSLN conviction that the Chamorro administration's economic adjustment and restructuring program has fostered massive unemployment and social distress, thus fueling the risk of a social explosion.

They also supported the FSLN's economic proposal, which is expected to lead the country out of its current state of unproductivity and unemployment. In addition, they expressed support for the political proposals made by the FSLN national directorate to attain a joint, positive solution to the national crisis.

New Radio Network To Promote Mercosur, Chile Integration

PY1506183493 Asuncion ABC COLOR in Spanish 13 Jun 93 p 30

[Text] An international network of radio stations will begin operating as of 1 July. It was recently established in the city of Porto Alegre (Brazil) and seeks to strengthen the integration of the peoples of Common Market of the South (Mercosur) member countries.

The new international network is called the "Southern Cone Communications Network" [Rede Cono Sur de Comunicaciones]. It groups together the following broadcasting stations: Radio Nanduti Network from Asuncion, Paraguay; Radio Mitre from Buenos Aires, Argentina; Radio Gaucha from Porto Alegre, Brazil; Radio Cooperativa Network from Santiago, Chile; and Radio Carve from Montevideo Uruguay.

According to its articles of incorporation, the network's "objective is the integration of Mercosur member countries and Chile" through special programs and newscasts by each of the member radio stations.

Asked about the operation, Radio Nanduti Network director Humberto Rubin stated yesterday that "it is most significant." He noted that his radio station is studying what programs to include in the "Southern Cone Communications Network" broadcasts.

Rubin pointed out that the new network is the result of an idea that started with the establishment of the Mercosur. He said his radio station is the Paraguayan representative in the new international network.

The incorporation agreement was signed in the city of Porto Alegre, Brazil, on 8 June. It allows each member "to have a weekly program to broadcast information about the extreme south of the hemisphere."

The agreement foresees the establishment of a coordinating council, which will meet every six months to establish guidelines for operation and regulations to better fulfill the objectives of the articles of incorporation.

From this it is possible to deduce that the new international radio network comprises the most influential radio stations in each of the Mercosur member countries.

Cuba

Experts Say Armed Forces Cuts 'Could be Socially Explosive'

PA1606142593 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Jun 93

[Maria Elvira Salazar report]

[Excerpts] [Passage omitted] Cuba's desperate economic situation is forcing the Cuban Government to modify its policies toward the United States. An announcement on troop cuts made on 16 June by PRENSA LATINA, the official news agency, does not specify how deep the cuts made in the Cuban Armed Forces will be. The Armed Forces are currently made up of some 380,000 regular troops and 1.5 million paramilitary troops. The press agency maintains that despite the cuts, combat readiness will not be diminished. [Passage omitted]

Experts agree that the measure could be socially explosive because the Cuban economy has no resources to meet the needs of the thousands of veterans who will be seeking jobs and housing. [passage omitted]

Robaina Addresses Rights Conference Plenary Session

FL1606201193 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Jun 93

[Text] Cuban Foreign Minister Roberto Robaina made a speech today at the UN World Conference on Human Rights in Vienna. At the beginning of his speech, Robaina said that the hopes of the world's hundreds of millions of deprived men, women, and children are today placed before that conference, and that a failure in Vienna would mean perpetuating, or at best ignoring, the tragedy afflicting mankind.

Robaina added that at stake is the credibility of the United Nations and its sense of responsibility toward humankind. Robaina added: History will judge the action we take during these days. We are obliged to go to the root of the evil and vigorously excise all that which in the current system is, by any reckoning, the source and lifeblood of human rights violations.

In his speech before the plenary session of the World Conference on Human Rights, Robaina stressed what the blockade imposed on Cuba by the United States means to the Cuban people. He said: It would be unjust for me not to, at this World Conference on Human Rights, demand in the name of my people the lifting of the economic, commercial, and financial blockade that has been imposed on us for over 30 years and which, beyond a shadow of a doubt, constitutes the most flagrant, massive, and systematic violation of the entire Cuban people's right to life and survival.

UN 'Punitive Measures' Against Haiti Rejected

FL1506132593 Havana Radio Rebelde Network in Spanish 0900 GMT 15 Jun 93

[Text] Cuba energetically rejects the option of punitive measures against the Haitian de facto regime by the UN Security Council. It also advocates studying the current Haitian crisis in the UN General Assembly, since the crisis does not affect international peace or security.

Jean-Bertrand Aristide, the so-called president, could return to Haiti if he accepts the demands of the Haitian congress.

UN Ambassador Voices Stand

PA1506213793 Havana Radio Havana Cuba in Spanish 1300 GMT 15 Jun 93

[Text] Cuba has announced it feels the Haitian internal situation should be handled by the UN General Assembly and not by the Security Council, as it deems the crisis in that Caribbean country does not affect international peace and security.

Alcibiades Hidalgo, Cuban ambassador to the United Nations, sent a letter to Security Council Chairman Juan Antonio Yanez Barnuevo voicing Cuba's rejection of the proposal the council is analyzing on the possibility of tightening the embargo on Haiti.

The Cuban letter pointed out that maintaining peace and security in the world is the main responsibility of the Security Council and the situation prevailing in Haiti does not fit into that description, despite the many pretexts by some countries to show the opposite.

Cuba feels that the actions demanded from the Council are illegitimate in the light of the UN Charter. In addition, this would create a dangerous precedent that would go hand in hand with the many attempts to increase the power and attributions of that UN component beyond the power granted by the UN Charter.

The draft resolution the Security Council is studying deals with increased sanctions against Haiti.

CECE Delegation Signs Cooperation Agreements With PRC

FL1406183893 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Jun 93

[Text] Today Cuba and China signed agreements from the third scientific-technical cooperation program corresponding to 1993-94. Ernesto Melendez, minister president of the State Committee for Economic Cooperation [CECE], headed the Cuban delegation to the meeting held in Beijing while (Wei Jianxing), executive vice president of the state committee of the branch, headed the Chinese delegation.

According to reports, during the talks both sides emphasized the positive results of the previous period in

projects dealing with poultry farming, agriculture, biotechnology, and food production. Sources added that the Cuban delegation has received many expressions of understanding, support, solidarity, and certainty that Cuba will overcome the current difficulties. Both delegations agreed to hold the fourth session of the joint scientific-technical cooperation commission in the first quarter of 1995.

Council of Ministers Official Meets With Spanish Group

FL1606120693 Havana Radio Progreso Network in Spanish 1100 GMT 16 Jun 93

[Text] Jose Ramon Fernandez, vice president of the Council of Ministers, has met with a group of Andalusian mayors, businessmen, and personages who are visiting Cuba. The meeting was held at the Council of Ministers headquarters as part of the program of this delegation visiting Cuba on the 60th anniversary of the historic Cuba-Seville flight.

The vice president of the Cuban Council of Ministers gave the Spanish visitors a panoramic summary of the country's situation and search for solutions to problems. He also told them of priority plans for development in biotechnology, the pharmaceutical industry, tourism, and the food program.

The visitors were interested in learning details of the problems caused by the blockade, tourism prospects, and other matters. The Andalusian delegation is carrying out an intense program of activities occasioned by the 60th anniversary of the flight of the Andalusian pilots (Marberyan) and (Coyar).

Brazilians Support Solidarity, Exchange Program

FL1506194493 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 93

[Text] It was announced in Belo Horizonte that Brazilian sectors have decided to unite to strengthen support for Cuba under a program favoring Latin American integration. More than 100 representatives from the 12 most important states of Brazil in terms of economic power and population established a program of exchange and aid in defense of Cuba's sovereignty and independence.

Union members, businessmen, and intellectuals attended the Ninth National Cuba-Brazil Solidarity Convention to discuss ways to increase and improve cooperation. Businessman Luis Custodio, owner of a sugarcane mill, said the convention combined efforts and showed that Brazilian solidarity with Cuba is very extensive. For example, in Minas Gerais, industrialists interested the local government in buying Cuban equipment worth $20 million through a simple exchange which will benefit everyone.

Roundup of Politburo Members Activities 11 - 17 Jun

FL1706124193

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba carried on Havana radio and television in Spanish between 11 June and 17 Jun.

Radio Rebelde at 2300 GMT on 11 June reports that Jose Ramon Machado Ventura visited the Antonio Maceo electric plant in Santiago de Cuba Province, where he learned that the plant is operating at 70 percent of capacity because of inexperience in using Cuban crude and maintenance delays caused by material shortages. Workers plan to rehabilitate five of the six generators to increase the plant's output to 80 percent in the fourth quarter of 1993. Machado stressed the importance of overcoming difficulties to minimize power outages. With this visit, Machado concludes his tour of all the power plants in the country.

Radio Rebelde at 0900 GMT on 12 June reports that Jose Ramon Machado Ventura has toured areas affected by a recent storm in Granma Province. He met with storm victims and government leaders to assess damages and recovery efforts. He said that municipal Communist Party of Cuba organizations should analyze solutions to internal problems of each province during their meetings. He continued his tour in Santiago de Cuba Province. Efforts of electric plant workers to overcome current difficulties were highlighted and ways to increase efficiency at the plants discussed. Esteban Lazo Hernandez accompanied Machado on the tour of Santiago de Cuba Province.

Radio Rebelde at 1700 GMT on 12 June reports on the water supply benefits of recent storms in Santiago de Cuba and their negative effect on pumping capacity. The provincial ANPP Assembly is discussing preparations for the 40th anniversary of the Moncada Barracks attack, storm recovery efforts, and water and electricity supplies. Jose Ramon Balaguer, Maria de los Angeles Garcia, Esteban Lazo, and Richardo Alarcon are in attendance.

Radio Rebelde at 1700 GMT on 14 June reports that Communist Party of Cuba members have begun the assessment process in Regla Municipality, Havana City Province. With Jorge Lezcano Perez in attendance, the group is debating food production and distribution and fuel conservation. In the same province, Maria de los Angeles Garcia has commented on the successful completion of the 1992-93 school year and preparations for the coming year's educational accomplishments.

Radio Rebelde at 0900 GMT on 15 June reports that Esteban Lazo said, during the Communist Party of Cuba assessment process under way in Antonio Maceo district of Santiago de Cuba Province, that members must make special efforts in this special period. Debate topics include discipline, progress in the recovery and manufacture of spare parts, the fight against crime, members'

involvement in the community, the political work of youth, and the responsibility of youth toward the Revolution.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 16 June report that 80-year-old Carlos Rafael Rodriguez has received the National Union of Cuban Writers and Artists Emeritus degree.

Radio Rebelde at 0900 GMT on 16 June reports that Jaime Crombet, during the Matanzas Provincial Assembly, said that no government other than people's councils is conceivable in Cuba. He pointed out that some councils are more advanced than others but all are characterized by their ability to promote mass participation in solving problems and making decisions. Ernesto Suarez told the Ciego de Avila Provincial Assembly that massive participation in finding solutions is the only way to overcome current difficulties.

Radio Rebelde at 2300 GMT on 16 June reports that Jose Ramon Balaguer attended a ceremony marking PRELA's 34th anniversary. He congratulated workers on their accomplishments.

Radio Rebelde at 0900 GMT on 17 June reports that Candido Palmero and Ulises Rosales del Toro participated in Western Army chiefs decisionmaking and approval activities in connection with Moncada 93 exercises. The Central Army is carrying out similar activities.

Chamber of Commerce President Discusses Economy

PA1306132293 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Jun 93

[Report by Maria Elena Samper]

[Text] The Cuban Government's resolve to integrate with the Latin American and Caribbean economies, in addition to the island's geographic proximity and common historic background with those areas, can already be seen as an initial step in the process. An essential part of the process is establishing economic links with businessmen, which not only develops commercial deals but also helps the country gain experience in this process.

We spoke with Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, about Cuba's participation in economic opening.

[Begin recording] [Martinez] We look toward Latin America and the Caribbean as the first places to try new ideas and trade projects because they are the natural places for true economic integration. That has already become very obvious with the results of the recent Expo-Caribe in Santiago de Cuba. It was an industrial and commercial fair of producers primarily from the five provinces in eastern Cuba directed at the Caribbean, Latin America, and the foreign exhibitors who took part this year from Jamaica, Venezuela, Panama, Dominican Republic, and Mexico. We expect it to be much bigger in 1994. Here we have a natural link between Cuba and the Caribbean.

[Samper] Now that we are discussing the American continent, what role do other countries play in economic participation with Cuba?

[Martinez] Certainly Mexico is way ahead. Mexico has led Latin American relations with Cuba since 1 January 1959, but it has also been at the economic and commercial forefront during all those years. Now Mexico is also at the forefront of the new ways of commercial partnerships. There is an enormous exchange between Mexican and Cuban businessmen to find new ways and identify new areas. Brazil also holds a very important position; the same is true of Venezuela. There is some trade with Chile, but there are lots of prospects. We have already received news about what Cuban Vice President Carlos Lage has accomplished and offered to Chile. I think this visit will yield good results. We have some trade with Colombia. We have very good prospects with all these countries.

Interest is growing more and more. A group of businessmen from Monterrey are coming on 14 June to meet with Cuban businessmen. Recently some Brazilian businessmen visited, and now they are organizing a second trip. We are going to participate in the Chilean fair. There is going to be a Latin American presence at the Havana International Fair in October and the beginning of November. We believe there are opportunities in other countries and we will step up relations with Latin America and especially in this new opening of Cuba abroad. [end recording]

Despite the U.S. blockade, reinforced by the Torricelli law, many businessmen are interested in the changes in the Cuban economy for various reasons. Our current negotiations are totally directed at a market economy. The country's stability guarantees any partnership. The experience and training of Cuban workers is another guarantee, along with the seriousness of the Cuban Government and businessmen to keep their commitments. That is the key.

Farmers Participate in 3,107 Vigilance Detachments

FL1606151393 Havana Radio Reloj Network in Spanish 1403 GMT 16 Jun 93

[Text] There are 3,107 small farmers vigilance detachments, and over 141,000 members of ANAP [National Association of Small Farmers] are members of these detachments. Nevertheless, work continues to increase the number of co-op members and individual small farmers carrying out this important mission. The detachments have made it possible to check crime. Pinar del Rio, Havana, Matanzas, Cienfuegos, and Granma Provinces have not yet finished forming their detachments.

According to a report from the (?ANAP) and the Minint [Ministry of the Interior], close to 4,000 crimes have been reported to date this year nationwide, many consisting of the theft and slaughter of large livestock. Because of the enormous work of the vigilance detachments, 471 agricultural-livestock cooperatives and 80 credit and services cooperatives have been declared crime-free.

ANPP Secretary Addresses Provincial Assembly

FL1606141893 Havana Radio Rebelde Network in Spanish 1155 GMT 16 Jun 93

[Text] Speaking at the first ordinary session of the Ciego de Avila Provincial Assembly of the People's Government, Ernesto Suarez, secretary of the Cuban legislature [National Assembly of the People's Government, ANPP], pointed out that cane recovery is the short- and medium-term solution to the country's energy problems. He pointed out that Cuba has no choice but to seek Cuban sources of energy with which to supplement fuel imports. He called on everyone not to underestimate any idea that might possibly provide a solution in this regard. Suarez also spoke of the need for the permanent commissions to follow up on the agreements reached at the municipal assemblies, which he said was part of the process of perfecting the People's Government organs.

The functioning of the People's Councils and the fulfillment of the energy program were analyzed at this first ordinary session of the Ciego de Avila Provincial Assembly of the People's Government, as were the possibilities offered by science and technology toward socioeconomic development.

Report Notes Matanzas Province Energy Potential

PA1306151593 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Jun 93

[Report by Wilfredo Arallon]

[Text] Matanzas Province has promising sources of energy carriers [portadores de energeticos], such as the capacity to extract 1 million tons of oil every year, a little less than 60 million metric cubes of gas, and a yearly capacity of 24,000 tons of (turpa). That information is according to an Energy Program Commission report that will be discussed on 15 July at the ordinary meeting of the Provincial Assembly of the People's Government, the top government organ in the province. The aforementioned report also states that local residents used over 98,000 tons of national oil last year. In addition, 10 enterprises regarded as the largest consumers have incorporated national hydrocarbon into their productive activities. The study also mentioned the positive actions in Cardenas Municipality, where boilers and kilns were used to burn Cuban oil. That endeavor entailed arduous work on the part of [word indistinct] experts and technicians, as Cuban oil is heavy and has a high sulphur content. Taking into account the wells that have been discovered already and the fact that Matanzas has the largest wells in the country, Matanzas Province has a potential yearly growth rate of 30 percent until 1995.

Haiti

Bomb, Gunfire Reported in Port-au-Prince

FL1706125493 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 17 Jun 93

[Text] Port-au-Prince awoke in a state of trauma this morning after a night disturbed by gunshots. A bomb exploded in Petion-Ville on the night of 16 June with an explosion so strong that many families in Petion-Ville were awakened. Many bursts from automatic weapons were fired in several other neighborhoods in Port-au-Prince such as Canape-Vert and Delmas. The explosions and gunfire occurred immediately after the UN Security Council vote established a regime of severe sanctions against Haiti.

Legislators Accuse Embassy Employees of 'Dealings'

FL1606202293 Port-au-Prince Radio Tropic FM in French 1600 GMT 16 June 93

[Text] A group of senators and deputies from the constitutionalist bloc addressed a letter to U.S. Secretary of State Warren Christopher accusing certain Embassy employees of participating in crooked dealings and bargaining on the parliamentary decree to reinstate exiled President Aristide to his functions. According to these constitutionalist bloc parliamentarians, some members of the U.S. Embassy in Port-au-Prince are working to keep citizens appointed during the contested 18 January elections in office.

Officials of the diplomatic mission in Haiti consider this accusation ridiculous. One official who wishes to remain anonymous says: We have never acknowledged the mock elections of 18 January and we are not going to acknowledge them.

Volel Denounces Maneuvers To Hamper Aristide Return

FL1606162193 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] Eddy Volel [leader of the Christian Democratic Assembly] denounces the maneuvers aimed at blocking the return of the president-elect of Haiti. Volel stresses the irregularities included in such a resolution by summarizing them in three major points:

[Begin recording, in Creole] [Words indistinct] This means Aristide never did anything wrong. Second, this means that both the Army and the false parliament are wrong for having declared Aristide guilty. Third, this also means all those who were involved in the coup d'etat and who supported the coup d'etat that brought Nerette and Bazin to power are guilty in the eyes of the Haitian people.

Many people already knew that the parliament of night birds would decide to recognize Aristide as president, that they would keep Aristide isolated for the remainder of his mandate, and that they want to choose a crooked dealer like Serge Gilles or Dejean Belizaire as prime minister. All that explains the presence of U.S. Senator Ellen Cosgrove within the parliament. [end recording]

Presidential Commission Condemns Reinstatement Vote

FL1606225693 Port-au-Prince Radio Metropole in French 1600 GMT 16 Jun 93

[Text] The presidential commission established by President Aristide to facilitate a negotiated solution to the crisis, and led by Father Antoine Adrien, condemned the vote for reinstatement of the priest/president. To the commission, the appointment of a prime minister under the current circumstances would constitute support of the 30 September 1991 coup d'etat, and the constitutional president would remain outside the country until some hypothetical time when his return would be considered possible, no one knows how, asserts the commission.

The commission also denounces, quote, the pretensions of an illegal assembly reinstating a president elected by a two-thirds majority of the country's voters.

FNCD Rejects Parliamentary Resolution on Aristide

FL1606181693 Port-au-Prince Radio Metropole in French 1045 GMT 16 Jun 93

[Statement by National Front for Change and Democracy spokesman Victor Benoit—recorded]

[Text] This decree is unacceptable, given that the National Assembly was irregularly held in view of the fact that the legislators appointed by the former de facto government on 18 January 1993 were present. The Haitian people must know that any parliamentary action taken with the participation of those 18 January false senators and deputies is null and void.

Second, this decree is unacceptable in that this National Assembly, in violation of Articles 98.2 and 98.3 of the Constitution, exceeded its authority. In fact, it held during the night a second-level election reelecting a chief of state freely elected by the people on 16 December 1990. The Haitian people must know that the Constitution does not provide for such a procedure.

Third, this decree is unacceptable in that it requires the head of state to accept all actions taken by successive de facto governments since 30 September 1990. Therefore, this decree does not authorize a real application of Article 148 of the Constitution by the legitimate president. Basically, this decree only aggravates the country's problem by upholding the logic of the coup d'etat.

To all Haitian sectors suffering daily the consequences of the political and economic crisis, FNCD asserts that the 15 June decree will only increase the pain. To the military, FNCD sends a patriotic call to dissociate itself from the politicians involved in the 18 January electoral masquerade and to depart the political scene in order to allow true negotiations, indispensable for a real solution to the crisis. All shilly-shallying at this point only prolongs the crisis, to the detriment of all national institutions. To all the country's democratic forces, FNCD renews its urgent request for a common strategy to prevent the appointment of a new de facto government.

FNCD says no to the 15 June decree, a monster that threatens all national institutions. FNCD says yes to real negotiations with the application of Articles 137 and 148 of the Constitution. For FNCD coordination, Senator Turneb Delpe, Evans Paul, and Victor Benoit.

Theodore, Pierre-Charles on Order Restoring Aristide

FL1606221293 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] The leader of the National Reconstruction Movement [MRN], Rene Theodore, has labelled as unhealthy the executive order voted by the Alliance [for Parliamentary Cohesion, ACP], recognizing the legitimacy of President Aristide. For his part, Professor Gerard Pierre-Charles thinks the ACP parliamentarians have set a political trap for the president priest. The following is a report by GB.

[Begin GB recording, in Creole] Most of the Haitian population, people's organizations, and numerous partisans of President Aristide have received with indifference the executive order voted by the ACP parliamentarians very early in the morning of 15 June recognizing the constitutional legitimacy of President Aristide in return for which he should excuse all actions of the Parliament and the authors of the coup d'etat from 30 September 1991 to the present.

Even before the ACP parliamentarians approved this executive order, 14 staunch people's organizations and the Constitutionalist Bloc had already condemned and denounced this scenario. After the vote on the executive order by the ACP parliamentarians, an alliance that theoretically no longer exists, the comments varied, depending on whether the personalities or sectors approved or disapproved of President Jean-Bertrand Aristide's return.

Rene Theodore, MRN leader and prospective prime minister under the Washington Agreement, describes this vote as an "unhealthy step," a bargain supposedly recognizing the constitutional legitimacy of President Aristide while forcing him to accept in return the bogus 18 January parliamentarians, the exceptional Electoral Council, and all the other blunders of the ACP parliamentarians. What parliament voted this order? What president will promulgate it? These are the questions that Theodore is asking, while stating that this executive order is inoperative, that it is worthless in the eyes of the

international community that has always condemned the 18 January elections and the parliamentarians elected in them. The international community has furthermore always made a clear stand in favor of President Aristide's return to his post.

The MRN leader denies any similarity between the Washington Agreement and the 15 June ACP executive order. According to Theodore, the Washington Agreement was an important document signed by President Aristide and parliamentarians elected in the same election, whereas false parliamentarians, strange bodies participated in the vote for the 15 June executive order.

For his part, Gerard Pierre Charles, one of the leaders of the Lavalas Political Organization, OPL, has given his verdict on the 14-15 June session which he labels a "sad spectacle, an historical gesticulation." According to Pierre-Charles, who was speaking on his own behalf, this executive order is a political trap, as people opposed to the Constitution pretend they wish to apply the provisions of this Constitution by claiming that they will recognize President Aristide's legitimacy, which has already been recognized by all citizens and the international community. Pierre-Charles says it is international pressure and the contempt of the people that prompted the coupists to recognize the legitimacy of the one who was elected on 16 December [1990], something these people had never wanted to accept.

Prof. Pierre-Charles ends his note with a warning. He says the delay tactics and maneuvers of the reactionary forces are complicating the scenario and worsening the situation by forcing the people to enter the political scene to defend their rights and freedom.

Many partisans of President Aristide think the 15 June executive order is a trap set for Aristide. Whether he agrees or not, the same result will occur, according to those people. It is now up to Father Aristide and the international community to give their verdict on this matter to which the people are totally indifferent. This situation deserves to be watched. GB for Signal FM. [end recording]

Dupiton: Article 149 Alternative to Aristide Agreement

FL1706003193 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] Far from solving the political and constitutional situation following the resignation of Prime Minister Bazin, the vote by the Haitian Parliament for an executive order restoring President Aristide to his post just reinforces the obstacles to finding a solution. This executive order, including conditions deemed unacceptable by those close to Father Aristide, is perceived in the Alliance for Parliamentary Cohesion camp as significant progress toward the solution of the crisis.

National Front for Change and Democracy [FNCD] partisans, however, consider this action a pseudolegal means of inflicting political death on the legitimate president of the country. The FNCD members have no doubt that Father Aristide will reject this dangerous application of Article 148 of the Constitution. What then would be the next step? Article 149, replies Senator Dupiton with arrogant self-confidence during an interview given to Daly Valet.

[Begin recording] [Dupiton] [words indistinct] after having [word indistinct] the application of Article 148, to give evidence to the entire world that power has been handed over to Father Aristide under conditions because one must [words indistinct]. Experience has already taught us things about Father Jean-Bertrand Aristide. Everybody has been able to see that as a president, his character is a bit difficult. So we had to set up handrails. Now, if he refuses to allow this law to be implemented, the Parliament will be forced to apply the other face of the law.

[Unidentified journalist] What face [indistinct words]?

[Dupiton] Well, we would like to go through Article 148. If it is deemed impossible to implement the law with Father Aristide, the Parliament will meet as it met [on 14-15 June] [words indistinct] for the application of Article 149 of the Constitution. [end recording]

It should be recalled that a high Army official said on Signal FM that the next step after the failure of Dante Caputo's sixth mission would be the application of Article 149, which consists of passing power to the most senior judge of the Court of Cassation, Justice Emile Jonassaint.

Senator Conjectures on Aristide Response to Reinstatement

FL1606204093 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] Having been offered the opportunity to resolve the crisis, it would be unthinkable for President Aristide to refuse to cooperate, says Senator Julio Larosiliere.

[Begin recording in Creole] [Larosiliere] How can he not respond? How can he not choose a prime minister? What has been the subject of the crisis for so long? It has been that Aristide was forced to leave the country, forced to leave power. Now, parliamentarians have taken it upon themselves to restore Aristide to his post. They ask him to choose his prime minister. They ask nothing of him, impose no conditions. It is up to him to make this choice, as president of the Republic. He is not a king, he is a president. We have restored him as president, have we not? So, I cannot believe that he will not concur. If he refuses, it will mean that he has something else in mind.

[Unidentified journalist] Senator, in the event that he does not agree, what will you.... [pauses] What alternative will you in parliament propose?

[Larosiliere] We do not at all want to imagine that. [end recording]

Cedras Declines Caputo Invitation to New York Meeting

FL1606165193 Port-au-Prince Signal FM Radio in French 1030 GMT 16 Jun 93

[Text] We have learned from parliamentary sources that General Raoul Cedras, head of the Haitian Army, has declined in writing an invitation from the UN/OAS mediator to attend discussions between the two sides in the Haitian crisis in New York on 16 June—or send a representative. Dante Caputo pointed out that he believes these talks, under his aegis, would advance the process of peaceful transition by laying the foundations for a stable, democratic regime.

The general notes in his reply that the Armed Forces would not like to get hung up on matters concerning its own future, explaining that the future of Haiti and its people remains the Army's first concern.

El Salvador

Sandinist Officer Discusses Caches in Nicaragua

PA1706034293 San Salvador TCS Television Network in Spanish 1200 GMT 16 Jun 93

["Exclusive" interview with Lieutenant Colonel Ricardo Wheelock, public relations chief of Nicaragua's Sandinist People's Army, EPS, by reporter Samuel Arias in Managua; date not given—recorded]

[Text] [Arias] Good morning, Lieutenant Colonel Ricardo Wheelock, and thank you for this opportunity. We want to talk about the discovery of arms caches, the first of which caused some fatalities. We would like to hear the Sandinist People's Army [EPS] official stance on this.

[Wheelock] Thank you very much for the opportunity to speak to Salvadoran viewers. I will try to clarify these events. We, as the national army of Nicaragua, want to state emphatically that we were not aware of those weapons caches owned by an organization belonging to the Farabundo Marti National Liberation Front [FMLN]. We had no information on those caches.

[Arias] Mr. Facundo Guardado, one of the main leaders of the Farabundo Marti Peoples Liberation Forces [FPL], told our reporters these weapons were going to be delivered to Nicaragua. Did you have any knowledge of this?

[Wheelock] On the day the [words indistinct] was dedicated, she announced before the local and international media the existence of these caches, their owners, and that the EPS had no knowledge of them. Facundo Guardado's organization denied the existence of the caches and did not admit owning them. Through the army commander, we demanded that the organization involved accept its responsibility. Later we went to the National Assembly where we said there were three to five caches belonging to that organization that had not been reported to either the EPS, the Government Ministry, or the Sandinist National Liberation Front [FSLN].

[Arias] Bearing in mind history, the previous relationship between the FMLN and what used to be the EPS, how do you interpret statements by President Chamorro to the effect that the FPL lied to her?

[Wheelock] Well, we could say the president was not the only one deceived; the Nicaraguan Army was deceived. I reiterate, we did not have any knowledge of this serious threat and problem affecting Nicaraguan citizens.

[Arias] Earlier this week, we learned of a communique issued by the FSLN, the FMLN, and the Guatemalan National Revolutionary Unity reffering to this issue as an advance or at least part of a new impetus. Does the EPS share this FSLN viewpoint?

[Wheelock] We know nothing about this. I would like to clear up something. In 1988 the EPS was separated from its role as the FSLN's armed branch, meaning that from then on the EPS, as a state institution, in its operation and other matters concerning the institution, was totally separate from the FSLN. The Nicaraguan Army has nothing to do with any political organization in the nation, not legally, fundamentally, or politically. It only has a relationship with the Nicaraguan state.

[Arias] Then the EPS has nothing to do with the FMLN?

[Wheelock] It has no relationship whatsoever with the FMLN. What is more, the EPS has never had a relationship with the FMLN. As a state institution, we never supplied them with weapons. What we did do is not hunt them down. We were involved in a war and we simply looked the other way. But we never supplied them with any type of weapons because in our agreements with the former USSR there was a clause stating we could not supply weapons to third parties without Soviet authorization.

[Arias] Does that mean the weapons found today did not come through Nicaragua?

[Wheelock] They obviously passed through Nicaragua because they were found here, but they are not part of the EPS arsenal or inventory.

[Arias] To conclude this interview, can you tell us how many caches were found?

[Wheelock] We have information on five caches. The problem here is that there has been some confusion as to the numbers. As far as the UN Observers for El Salvador are concerned, the first cache, currently in a legal process, is not a cache. This could cause confusion or misrepresentation concerning the number of caches. We had understood from [words indistinct] that there were between three and five caches. It appears there are five.

[Arias] Thank you very much Col. Wheelock.

FMLN Denies Links With Armed Groups

PA1606210993 San Salvador Radio Cadena YSU in Spanish 0100 GMT 16 Jun 93

[Report by Balmore Parada]

[Text] The Farabundo Marti National Liberation Front [FMLN] Party denied on 15 June they have any links with armed groups active in Chalatenango and San Salvador Departments and the Guazapa Hill area, as President Alfredo Cristiani stated. FMLN spokesman Juan Ramon Medrano described Cristiani's remarks as part of the Nationalist Republican Alliance election campaign.

[Begin recording] [Medrano] The FMLN has no intention of continuing with armed groups. We definitely left the armed struggle behind. We are not linked to any armed group that may emerge or new armed actions. These groups are tied to criminals or former Armed Forces soldiers, or even some FMLN fighters. The FMLN, however, has no ties to those groups.

[Parada] Why would the president level these charges against the FMLN?

[Medrano] For the same old reasons; he wants to take advantage of the discovery of weapons belonging to the Farabundo Marti Peoples Liberation Forces comrades to fan the fire. He wants to foster mistrust in the FMLN, by encouraging people to think it has hidden weapons and is thinking of or maintaining armed groups. That is totally and absolutely false. Let me reaffirm the FMLN is not interested in doing that.

[Parada] Does the FMLN agree the police authorities should fight these armed groups?

[Medrano] It totally agrees that armed groups that emerge anywhere must be dismantled as soon as possible. [end recording]

Juan Ramon Medrano reiterated that the authorities must dismantle the gangs operating in the aforementioned areas. According to the FMLN spokesman, these groups may be made up of criminals, former soldiers, or dissident members of the former guerrilla groups.

FMLN Opposes Army Captain as New Police Chief

PA1606205993 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 16 Jun 93

[Text] The appointment of Army Captain Jorge Pena Duran as executive deputy director of the National Civilian Police [PNC] is a flagrant violation of the Salvadoran political Constitution, the Farabundo Marti National Liberation Front [FMLN] announced on 16 June in a communique.

The communique stated the appointment of the Army captain violates Article 168, Paragraph 17 of the constitution that specifies the PNC officials must be civilian authorities. The appointment violates Article 159 that establishes the new police corps as a professional body, independent of the Armed Forces, the communique added.

The appointment of Captain Jorge Pena Duran as deputy director of the PNC is also a violation of the peace agreements, the FMLN communique emphasized. In concluding, the FMLN demanded the government reconsider the appointment of military officers to the new police corps and instead appoint civilians.

Guatemala

De Leon Swears In Foreign Minister, Information Director

PA1706030393 Guatemala City PRENSA LIBRE in Spanish 16 Jun 93 pp 3, 88

[Text] On 15 June President Ramiro De Leon Carpio swore in journalist Mario Antonio Sandoval Samayoa as general director of information and attorney Arturo Fajardo Maldonado as new foreign minister.

During the swearing-in ceremony, President De Leon stressed the attributes and background of each official. He voiced satisfaction that Fajardo Maldonado, a career diplomat who is Guatemala's former permanent ambassador to the United Nations, international organizations, the EEC, Belgium, the Netherlands, and Luxembourg, had accepted the post.

Regarding the appointment of Sandoval Samayoa, former director of PRENSA LIBRE, the president said he "has participated at all levels and has a thorough knowledge of that difficult but sacred profession."

De Leon Carpio added: "The mission of informing with total clarity and, above all, without concealing any sort of information is in good hands in this new government." He added that the "government's openness must be consistent with the unambiguous nature of the information released to both national and international newsmen."

Regarding Sandoval's background, he said: "He has more than enough merits accumulated throughout his professional career as a journalist and through his patriotic and courageous actions when we were immersed recently in a political, constitutional, and institutional chaos."

Sandoval Samayoa said he accepted the post because "this government represents a real possibility of change for the nation and people of Guatemala, who have been waiting for that change since 20 October 1944, approximately 50 years."

He said the president, as a politician and former ombudsman, respects, understands, and appreciates the work done by journalists. He noted the president "does not represent any political party but the real possibility of national unity."

"With the vision of a statesman, he has decided to take to its true dimension the role that communication and information must play in consolidating the democratic process, when it is genuine, and has the important mission of restoring Guatemala's image in the international community," he emphasized.

Sandoval Samayoa said the new officials are contributing their quota of dignity, zeal, and enthusiasm. He voiced the belief that Guatemalans must accept this historic challenge. "I can count on the criticism, advice, and professional experience of a group of persons who over the past weeks have become a true bastion of liberty and symbol of the rights of the Guatemalan people," he stated.

President Discusses Purging of Government Branches

PA1606224893 Guatemala City PRENSA LIBRE in Spanish 15 Jun 93 p 2

[Text] President Ramiro De Leon Carpio stated on 14 June that each government branch must implement its

own purging process if they determine a need for one. At the same time he expressed his respect for the decisions of other government branches.

The president said he has already initiated a purging process within the Executive Branch. He added, however, that he respects the decisions of the Congress of the Republic and the state of law regarding a possible purge. In this respect, he also referred to the independence of the branches.

Some political sectors are calling for a purge of the Congress within the Legislative Branch. In the meantime, part of the National Legislative Assembly decided to resign from the so-called National Consensus Coalition [Instancia Nacional de Consenso], which was established as a result of the coup.

Travel Advisory

President Ramiro De Leon Carpio expressed his satisfaction with the U.S. Government decision to lift a travel advisory to Guatemala. The president said the measure will benefit Guatemala's tourism industry and will help strengthen the national economy.

The official announcement on the U.S. Government decision to lift the travel advisory restriction was made by Marilyn McAfee, new U.S. ambassador in Guatemala. The U.S. diplomat met with President De Leon Carpio on 13 June.

New Foreign Minister

The president also announced he would be disclosing the names of the new officials who will be heading the Foreign Relations Ministry and the Presidency Public Relations Office. After a suitable candidate has been selected the Presidency Public Relations Office will be known as the Presidency Information Secretariat.

Army Denies URNG Charges on Bombings in Quiche

PA1706010193 Guatemala City EL GRAFICO in Spanish 16 Jun 93 p 3

[Text] Several towns in the Ixcan region and Nebaj Municipality, Quiche Department, were bombed by the Guatemalan Army, with no casualties reported, the Guatemalan National Revolutionary Unity, URNG, reported on 15 June according to a news dispatch by the Guatemalan news agency.

The report states that soldiers of Military Zone No. 20 fired 11 105 mm caliber howitzer grenades from their artillery base in Visan Garrison in an area near the road that links the municipal capitals of Santa Maria Nebaj and Sacapulas.

Two days later, soldiers from Military Base No. 22 launched an artillery attack on populated and farming areas in Mayaland. This was described as a "criminal policy" of the Army High Command, including the recent attacks, the news report added.

Meanwhile, the Army Information and Press Department said it knows nothing about the contents of the report, although it stated that it is a false report promulgated by the URNG, as they have done in the past.

De Leon on Economic Deterioration, Vice Presidency

PA1706141693 Guatemala City SIGLO VEINTIUNO in Spanish 16 Jun 93 p 3

[Text] President Ramiro De Leon Carpio admitted on 15 June that the country suffers from what he personally called "serious economic deterioration," which has grown worse following President Jorge Serrano Elias' disruption of constitutional order.

"Guatemala needs important agreements and alliances," he said after expressing support for the National Consensus Coalition. "The situation is difficult, and following a meeting with the economic cabinet, I can assure you that the information is not exactly satisfactory," De Leon Carpio added.

The president said Guatemala's economic situation is serious and has grown worse following the 25 May self-inflicted coup, which resulted in greater deterioration and its ensuing consequences.

"We must face a serious problem even though there has been a recovery in terms of unrestricted international support, which has actually increased," he emphasized.

De Leon Carpio said an analysis has been made of the 1993 national revenues and expenditures budget, which has led the government to conclude that it will not be able to carry out many urgent plans.

Nevertheless, the president highlighted the great hopes and possibilities for the country's future created by the political stabilization process and democratic consolidation achieved after constitutional order was disrupted. Those processes could even reverse the damage caused by the suspension of national and international investments.

Referring to the National Consensus Coalition issue, De Leon said "the president of Guatemala seldom has the opportunity to see a forum that represents perhaps all of our society."

He said it is therefore important to keep up the contacts made by the organization because the reorganization process will help maintain the consensus and allow consultations with many representatives.

"I endorse dialogue and I like to hear what all groups have to say, but that does not mean I will only make decisions under pressure," the president explained.

De Leon Carpio said all the Mayan groups will participate in the creation of a new cabinet according to the possibilities and representatives. That could mean three, five, or more officials.

Nevertheless, he explained that this does not imply the creation of a secretariat for the defense of Mayan rights or anything like that. It means they will participate with the same rights as the country's majority groups.

The president reiterated his appeal to society for an understanding and said he has worked 14 and 16 hours a day since he assumed the post.

"My various advisers have worked day and night with me, so we think our analysis will yield its first results with the appointments that will be made in a matter of days," he added.

The president also reported he will deliver a special message on 20 June to reveal the contents of a document outlining the national agreement measures for the next six months of his administration.

De Leon said some of the priority measures he will announce deal with citizen safety, which is still a problem despite the decrease in crime reported in recent days.

"We will fight crime directly and do everything we can to guarantee the citizens' safety and give credibility to our measures," he said.

The president also referred to the issue of a vice president and speculation about possible candidates. He added that "enough names have been mentioned to make up three cabinets." He later said the list will be comprised of apolitical, honorable candidates who represent no group or power factor.

"I have not been pressured on this issue, nor would I allow myself to be pressured" he stated.

Nicaragua

Communique Issued on Suspension of Guarantees

PA1706045393 Managua Radio Nicaragua Network in Spanish 0400 GMT 17 Jun 93

[Communique issued by the Presidency Public Relations Directorate and Official Spokesman's Office in Managua on 16 June]

[Text] Given the situation resulting from the suspension of constitutional guarantees in 14 municipalities in the country's northern zone, the rearmed groups that operate there, and the possibility that these groups may be offered amnesty, the Presidency Public Relations Directorate and Official Spokesman's Office issues the following statement to Nicaraguan citizens:

1. The achievement of peace and national reconciliation in Nicaragua has been a priority of the government of the Republic in its efforts to eliminate progressively the attitudes of political confrontation and violence that have characterized this country for the more than 100 years of its independence.

2. In this spirit, the government achieved in 1990 the demobilization of approximately 22,000 Nicaraguan Resistance [RN] members; the gradual reduction of the Army; and later in 1992 the demobilization and disarmament of thousands of rearmed former Sandinist People's Army and RN fighters, who have again picked up their weapons to support their demands or guarantee their safety.

3. The disarmament and peace process is now being threatened by a remnant of approximately 3,400 rearmed fighters who defy the government's authority and disregard constant appeals for peace. These fighters still operate in different regions of the country, particularly in the north, and have adopted what are clearly warmongering attitudes.

4. As a result, agrarian and livestock producers in the north, as well as political and labor groups, have demanded constantly that the government immediately solve the rearmed groups' problem and restore the necessary stability and security measures to guarantee a successful harvest.

5. Within the framework of the implementation of a general plan to attain peace in the country, particularly to support the great efforts to achieve the demobilization of those armed groups, the government of the Republic had stated the advisability of promulgating an amnesty as a means to achieve as soon as possible the disarmament of hundreds of irregular groups that are currently located in enclaves or that are about to enter the enclaves in the demobilization process.

6. This would allow us to prevent further bloodshed because most of these armed groups are willing to rejoin normal life if their legal rights are guaranteed through the amnesty. Thus, they would leave behind the armed struggle, as all Nicaraguans demand.

7. In view of the opposition certain segments of the national life have voiced to the measures the government has considered are necessary or advisable to settle the problem of those who are armed, the government has decided to consider other persuasive methods to achieve such goals and prevent a greater division and polarization of Nicaraguan society on this issue.

8. As a result, the government of the Republic invites these groups to contribute their best efforts to achieve the effective disarmament of armed groups and their corporation into normal life, and thus, prevent them from continuing their criminal actions.

9. The government of the Republic of Nicaragua urges those who are armed and are already inside security areas established by the Government Ministry, to

remain there and urges those who have not yet entered the security zone, to do so to become disarmed and demobilized.

10. The government of the Republic of Nicaragua will implement immediately a special social and economic assistance program to help all those who disarm inside security areas and facilitate their incorporation into the country's civilian and productive life.

11. The president of the Republic makes a special invitation to the tripartite commission, which is part of the OAS International Commission of Support and Verification, and to the Verification Commission of Cardinal Obando, to also make the necessary efforts—within their scope—to lead to the establishment of contacts and communication with these armed groups to achieve their most effective demobilization and disarmament as quickly as possible.

12. The suspension of constitutional guarantees decreed through Decree 3092 of 18 May 93 will expire on 17 June. The president of the Republic has decided not to extend this suspension and is confident and hopeful this gesture, along with the actions and efforts of the aforementioned groups, will contribute to achieve an effective disarmament of armed groups, total pacification of the country, and bring about tranquillity for the citizens.

[Issued] Managua, 16 June 1993
[Signed] Presidency Public Relations Directorate and Official Spokeman's Office

Companies Refuse Fuel Sales to Cubans

PA1606233893 Managua EL NUEVO DIARIO in Spanish 16 Jun 93 pp 1, 8

[Report by Oscar Merlo]

[Text] The Esso, Texaco, and Shell multinational companies stopped selling fuel to Cubana de Aviacion several months ago, causing great losses to the Cuban Government, which is forced to purchase gasoline from the Sandinist Air Force [FAS] at retail prices.

Using the Torricelli Law as an excuse, managers of these gasoline suppliers declared an embargo against Cubana, which had already significantly decreased its flights since the Violeta Barrios de Chamorro government took office.

We do not know why Gringo laws should be of obligatory compliance in Nicaraguan territory, but the truth of the matter is that even the Sandino airport administration acts as if it were a U.S. operation.

Things have changed so much in Nicaragua that 15 days ago even the FAS refused to sell fuel to a Cubana airplane, arguing that FAS supplies were low.

For this reason a Cubana An-32 aircraft, on one of its weekly flights, was recently forced to wait three days until an order was issued to refuel.

Cubans showed solidarity when our people suffered hard crises due to U.S. aggression and the Cubans continue giving us assistance with medical brigades in the most difficult areas.

The current government, however, has not fulfilled Cuba's fuel needs, which has forced them to stop using Tupolev and Ilyushin aircraft, which carries more cargo and passengers.

Now the Cubans only fly once a week in a small, four-engined airplane that has reduced capacity, the An-32, which has subjected people seeking medical treatment to long delays, some even dying while yearning to travel to Cuba.

Airport employees who were asked said the administration's rejection of Cuban airplanes and crew is more than obvious. "They do not even want to provide service to the Cubans, but when it is a Gringo airplane, they practically lick the floor," a secretary said.

On 14 June, a C-130 U.S. aircraft arrived, supposedly carrying household goods for U.S. Embassy personnel, and the airport administration went overboard with their servility. When the Cubans bring equipment for their Embassy, they are met by red tape, we were told.

Switzerland Signs Agreement To Reduce Foreign Debt

PA1606235393 Managua Radio Sandino in Spanish 1830 GMT 16 Jun 93

[Text] Foreign Cooperation Minister Erwin Kruger and Swiss Ambassador Eric Fister have signed an agreement by which Switzerland will reduce Nicaragua's foreign debt by more than 2 million Swiss francs, equivalent to $1.7 million. The ambassador explained the agreement specifies that Nicaragua will have to maintain a policy to reduce its foreign debt and interest to manageable levels.

The agreement, which in effect forgives Nicaragua's debt with Switzerland, was established by the Swiss Parliament's decision to forgive the debts of poorer and developing countries. Switzerland will also cooperate with Nicaragua on agricultural and social projects in 1993 and 1994 and will help it balance its payments. The foreign cooperation minister announced that Nicaraguan representatives will meet with donor countries in Bern, Switzerland, to find ways to reduce the country's commercial debt.

Urroz Assumes UNO Coordinator Role

PA1606224793 Managua BARRICADA in Spanish 16 Jun 93 p 14

[Report by Elsa Maturana]

[Text] National Opposition Union [UNO] official sources have confirmed that the Office of the Coordinator of this political coalition will change hands on 16

June from Managua Mayor Arnoldo Aleman to Deputy Roberto Urroz of the Nicaraguan Democratic Movement [MDN].

The change will take place during a meeting the UNO Political Council will hold on the afternoon of 16 June. Based on a "lottery" held among the coalition's 10 parties to determine party leadership succession, it is the MDN's turn to head UNO for the next two months.

Aleman was elected UNO coordinator as the national dialogue was initiated. His departure coincides with an eventual UNO return to that forum following its pullout some weeks ago.

On the weekend of 12 to 13 June, UNO held a meeting with Executive Branch representatives, during which the two sides agreed "to set aside differences" and "to seek an agreement for the sake of stability in the country."

According to UNO sources, the coalition agreed to deliver its answer on returning to the dialogue table to President Violeta Chamorro on 17 June.

According to those sources, the return will be conditioned on the Executive Branch contributing to a solution to the conflict in the National Assembly, which in the past legislative period practically held sessions with only UNO Center Group and Sandinist deputies participating.

UNO insists it is entitled to the National Assembly presidency, a post occupied now by Gustavo Tablada, leader of the Center Group, who the UNO representatives view as an "agent" for the Executive Branch.

UNO's continuing proposal is to occupy four seats on the legislative board of directors, including the presidency. The remaining three seats can go, according to UNO, to the Sandinist Front and the Center Group.

In the 12 June meeting, UNO leaders asked the Executive Branch to agree that only parties represented in the Assembly may attend the constitutional meeting or meeting "to strengthen and modernize state institutions," instead of the multilateral meetings that have taken place until now.

The source said: "Let us have no outsiders there. Let only those who must be there attend the meeting and let the search for a solution to the Assembly problem be the first point on the agenda."

The meeting between UNO and the Executive Branch went through two phases. According to sources, first there was some sort of group therapy, during which each side aired its complaints about the other. This was followed by a debate on how to bring about the coalition's return to the dialogue table.

UNO will decide on a return to the dialogue and on the leadership change from Aleman to Urroz on the afternoon of 16 June during the meeting to be held by the coalition's Political Council.

* Luis Fley on Difficulties, Goals of PRN

93CA0134B Managua EL SEMANARIO in Spanish No 135, 13-20 May 93 pp 18-19

[Interview with Nicaraguan Resistance Party Secretary General Luis Fley by Edgard Solorzano in Managua; date not given; first four paragraphs are EL SEMANARIO introduction]

[Text] Luis Fley, a campesino and former Nicaraguan resistance fighter, got involved in politics "through necessity." He has a hesitant style of speech, uses few gestures, and criticizes his old allies—the UNO [National Opposition Union] politicians. He is the secretary general of the new PRN [Nicaraguan Resistance Party]. EL SEMANARIO spoke with him in the party office in western Managua. This office was furnished with a few desks and a couple of chairs. Its walls contain no photos of its history or of any martyr or movement hero—of whom they say they have many. It is furnished with the simplicity of people just getting started in politics, without the necessary experience or power, only the idea of leading an important sector of Nicaragua's present society, to which they are trying to appeal using a typewriter resting on a wooden desk.

The government, UNO, the Sandinist Front, were all criticized by the secretary general in an interview during which he spoke of prospects, short- and mid-term goals, and their hopes to win office in 1996, or at least to chalk up some municipal victories in the Atlantic Coast department. But the important thing for the PRN is the presidency or at least a considerable presence in the National Assembly, as well as in the Central American Parliament.

Absent from the National Dialogue debates and too proud to be represented there by another group, the Nicaraguan Resistance Party was officially recognized by the National Council of Political Parties after two years of seeking this legal status. Luis Fley, its secretary general, was a well-known Contra leader. He says the party has the respect of thousands of fighters and their families, primarily in the Boaco, Chontales, and Atlantic Coast departments.

An opponent of Somozism, "anti-Sandinist by necessity," and convinced that war is not the way to achieve the most heartfelt demands, he believes people should work through political parties, making use of their constitutional rights in civilian life. Fley seemed somewhat nervous in front of the tape recorder, but he answered each of our questions clearly and certainly.

[Solorzano] Why was there so much difficulty in meeting the requirements to become a political party?

[Fley] The main obstacle was President Violeta Chamorro. To get our status as a party we—all the board members—had to be registered voters. That was very difficult, as we had been armed insurgents and could not register to vote. This was a problem created by the

current situation. We had been underground, at war. So as our major argument we proposed presenting the agreements signed between the Nicaraguan resistance and the government. These agreements had to be signed by President Chamorro so we could present them, and then we would not have had a problem. But we were turned down. The only way we found was to collect signatures of demobilized people, and then we were able to reach our goal after talks and negotiations on legal matters with the Council of Parties.

[Solorzano] Do you think that was political behavior on the part of the government?

[Fley] We are absolutely sure of it. On different occasions we sent letters to Mrs. Chamorro explaining the need to get her signature or asking her to meet with us so we could tell her of our interests, but she never did. So we considered that political behavior toward what is now the Resistance Party. We view that behavior as wrong and unnecessary. But the important thing is that we now have our own party and we are going to move ahead without fear.

[Solorzano] We have heard that Civic Action of the Resistance also opposed giving your group legal status as a party....

[Fley] That was true at first, but now we have reached agreement. The proof of this is that our party exists.

[Solorzano] What motivated you to found the PRN? Perhaps you did not feel you were represented by UNO?

[Fley] Since UNO won, no one has taken an interest in our problems. Neither the politicians in the coalition nor the government. Most of us are campesinos who need land and credit; there are also security, housing, and other issues. Who is interested in that? Nobody. Absolutely nobody. The UNO politicians have other interests. We are not their cause and that is why we founded the PRN. This idea was supported by the majority of the former resistance fighters, and with their backing we have been working for the past two years to get our party status.

Let me repeat that until now no one has said: "This is my issue." UNO has hidden behind its own rhetoric, while the former fighters are hungry, have no jobs, and are often led astray with siren songs. That is why we founded the PRN, and we are sure we have credibility. We fought on the battlefield, and this gives us the right to have our own political party in order to make ourselves heard in the civic arena.

[Solorzano] Then you do not back a military campaign as a way to support certain demands?

[Fley] That is why we have the PRN. We know many things have changed in Nicaragua. One of them is that arms are not the best way to talk, to make ourselves heard. Everybody is tired of hearing gunshots and bursts of automatic weapons. The people want to work, to take advantage of this time. We are sick of war, we want peace....

[Solorzano] Could you give us your opinion of former members of the resistance who have again taken up arms in the mountains?

[Fley] I want to make this point clear. We do not support that form of struggle because we think those methods are no longer valid. Nor do we turn a blind eye when we learn that in the mountains and fields our brothers are facing danger and security problems.

[Solorzano] Whom does the danger stem from?

[Fley] From people who do not share their ideas, and who think they can go around intimidating them. This is a problem that cannot be forgotten, and it must be treated very carefully with all of them.

[Solorzano] Will the PRN try to talk with these friends of yours to get them to give up this form of struggle?

[Fley] For some months we have been discussing this situation with some groups. However, we cannot promise them security. Only the government can do that. But we can insist, if they think this is appropriate, that we can be their spokespersons with the government or with whomever they feel is necessary.

[Solorzano] The government has been meeting with a variety of political, social, and economic sectors to learn their views and draft an agenda for the National Dialogue. Is the PRN interested in being involved in this process or not?

[Fley] When those meetings were officially announced, we sent a letter to the president asking her to include us. But so far we have received no answer. We are going to wait for them to respond by inviting us to take part.

[Solorzano] If you do not get an answer, would you ask someone to act on your behalf? Maybe UNO?

[Fley] Never. No one can represent us, for we have our own voice and we do not need any intermediary. Furthermore, I believe we can seek other channels to make ourselves heard, although it would be best for them to invite us to take part, since we represent a very important sector of the nation.

[Solorzano] What are your expectations for the National Dialogue?

[Fley] Personally, I do not think they will accomplish much. The essential thing is for them to establish guidelines for a possible agreement, assuming that they are thinking about the people.

[Solorzano] What are the PRN's goals for the immediate future?

[Fley] We are focusing on the regional elections to be held in the Atlantic Coast Department. We are thinking about mayoral and city council seats, and why not, some governorship....

[Solorzano] Are you thinking of running alone as a party or do you see a possibility of forming some strategic alliance?

[Fley] That is an issue we are still discussing. There may be some possibility of working with the Yatama, since we have interests in common. Our goal is also to win some deputies' seats for the Central American Parliament. We are getting ready for that. However, Electoral Council officials have told us that for now these elections are not scheduled for lack of financial resources.

[Solorzano] What about the 1996 elections?

[Fley] Obviously, as a legally established political party we are going to seek office, the presidency, or at least establish a good presence in the National Assembly. The essential thing is that we feel sure of ourselves. We have our brothers' support and we think we are going to have a good percentage of the ballots in 1996.

We are also working to reunite all the former fighters to affiliate them with the party. That will give us greater strength and enable us to determine what we actually have.

[Solorzano] What financial resources does the PRN have to achieve these goals?

[Fley] Well, as you can see we do not have money, just good will and the spirit necessary to move ahead toward our goals. And we do get support from our members.

[Solorzano] In this political contest in which you are going to take part, how do you view the Sandinist Front?

[Fley] They have a social base, but I think they have now lost much of their strength; they have publicly admitted this themselves.

[Solorzano] And UNO?

[Fley] The PRN does not identify with any other party. It does not want outside alliances in order to reach its goals, but it desires to grow and prepare to make its own contribution to political life. We are present in all of Nicaragua's municipalities, and we have an executive board that will be ratified in a congress to be held within the next few years.

* Middle Class Approaches Poverty Line

93CA0134A Managua EL SEMANARIO in Spanish No 134, 13-20 May 93 p 6

[Commentary by Oscar-Rene Vargas]

[Text] Economic growth is generally accompanied by rather modest improvements in poverty indices, while social downturns during times of recession or economic stagnation are substantially greater.

The economic and social crisis between 1988 and 1990 was evident in a decline in income affecting a variety of social groups. This increased the number of households in which incomes fell below the minimum level required to meet basic needs. Along with military service, that was one of the major causes for the FSLN [Sandinist National Liberation Front] defeat in the February 1990 elections.

From 1990 to 1993, years marked by an adjustment policy and social spending cuts, social policy took on a compensatory and emergency nature because of the negative effects of the economic adjustment program on the socially most vulnerable population group.

Chronic Poverty and Recent Poverty

The nature and composition of poverty need to be clarified. It may be divided into "chronic poverty," which has a permanent nature and is generally of greater magnitude, and "recent poverty." This results from a shorter term loss of income, so it is more responsive. This generates situations of disequilibria or more localized shortages that directly hurt the "middle classes." The new poor (recent poverty) have individual profiles, social values, and living aspirations very different from those typical of people living in structural or chronic poverty.

Traditionally the "intermediate levels" of society have been sectors that can adequately provide for their basic needs; they have advantages in the educational and health system; they constitute a significant part of the domestic market, particularly for semifinished and capital goods; and they have played an important stabilizing role in the political system.

Crisis in the Middle Sectors

During the last five years, though, these sociological images, which are generally idealized, have become blurred. The economic crisis at the end of the 1980's and the application of harsh economic adjustments at the start of the 1990's caused a strong decline in indicators that are essential for the survival of a real "middle class," and there is clearly a sustained process of declining vertical mobility, which is easily perceived in major urban centers. According to the Second Apparent Consumption Poll in the city of Managua, the middle class, which makes up 25.0 percent of the population, had an annual per capita income of 4,116.00 cordobas (equivalent to $823.20 a year, or $54.88 a month).

This deterioration is expressed by declining wages and restrictions in the coverage and quality of essential basic services. In early 1993, large sectors of groups that were middle class during the 1970's slipped into the socially at risk category, immediately above the poverty line, and with a marked downward trend. They have become part of the social groups forming the "new poor" class. The way most

often used to block the negative effects of the crisis is to cut back on food consumption and to decrease the price and quality of foods that are consumed. A similar pattern is observed in spending on clothing and shoes.

Politics and the Middle Class

The central aspect of the current problem of the "middle levels" lies in the new social deficits they are facing. This is generating serious and historic changes in fundamental political behaviors. In the 1990 elections these "middle classes" voted with the idea that their economic situation was going to change with the new government, but they have suffered the negative impact of the structural adjustment policy. The majority of these "middle sector" people think this year (1993) will be even worse than the past two years. This means that the erosion of the government's political capital among the "middle sectors" is substantial.

Job losses (because of widespread government cutbacks) and the closing off of traditional job sources like small and midsized businesses; the depletion of family savings and the drastic reduction in consumption, and in addition, the "unheard of" restrictions on access to basic public services, have reduced the middle class's belief in government and institutions. Capitalizing on this situation, Managua's mayor, Arnoldo Aleman, is trying to make his city administration a mirror of the political option he can offer all of Nicaragua. That is the reason behind his major urban spending projects: street paving, the Metrocentro rotunda, and the Virgin of Motastepe project. These projects are intended to create an election boom in the impoverished middle classes, and to help strengthen his leadership in UNO [National Opposition Union] with an eye toward the 1996 elections.

Moreover, the well-known role of the "intermediate sector" as a hinge for the sociopolitical system has continued to show a declining ability to defuse radical shifts; instead, it has become a factor generating serious changes in the nation's sociopolitical systems. This is affecting the institutional roles of the political parties within the democratic exercise of power. For example, in the latest poll, 61 percent of people over the age of 16 do not identify with any political party. Of those who voted for UNO, 47 percent say they do not identify with any political party or coalition; 26 percent of the FSLN's voters have the same opinion.

Middle Class and Social Programs

Consideration given to "middle class" sectors in the government's social compensation program is almost zero; it naturally requires the application of special criteria that should not alter the preferential consideration given extreme cases of "chronic poverty."

Members of the urban middle class who are now suffering from different forms of poverty, and who provided Mrs. Chamorro's social base in the 1990 elections have been hurt by the job reconversion process. They are of vital importance in analyzing "recent poverty." They are:

- Young unemployed people from 15 to 24. They make up 20 percent of Nicaragua's total population. Noteworthy, because of their dangerous consequences, are the increase in unemployment and the lack of education among young people from 15 to 19. The proportion of young people seeking their first job because of steep declines in family incomes has grown rapidly. There is no reason to expect a significant change in this situation in the next few years.
- People with very small businesses earning low incomes and the bulk of nonprofessional and nontechnical independent workers who are concentrated in commerce and services.
- Poor low-income women, especially those who head the family in 34.6 percent of Nicaragua's households. Women represent 49.9 percent of the population.
- Children under the age of 14; this group is 47 percent of the total population.
- The population displaced by the war, people demobilized from the resistance and retired from the Army; they are 15 percent of the nation's total population.
- The disabled: 10 percent of the total population.
- Small and medium-scale campesinos without credit, technical assistance, or other support for production for the domestic market.

All these social groups make up the majority of the Nicaraguan population who do not see in society's institutions (including the political parties) a solution for their immediate problems. The challenge facing the political leaders regardless of ideological dispositions will be to transform this "silent majority" into their social and electoral base in the near future.

Panama

Guatemalan Attorney General Discusses Serrano Extradition

PA1606144893 Panama City Radio KW Continente in Spanish 1200 GMT 16 Jun 93

[Telephone interview with Guatemalan Attorney General Edgar Tuna in Guatemala City by EL SIGLO editor Carlos Singares and unidentified reporters in Panama City—live]

[Text] [Tuna] Serrano and several former officials left the country, and the Attorney General's Office initiated the request for their extradition. The judge ruled in favor of the extradition and forwarded the documents to the Guatemalan Foreign Ministry, where they still have to be processed. Strictly speaking, that is the situation related to these people. The judge has already ordered confiscation of their assets at the request of the Attorney General's Office. The Office will ask all friendly governments and banks to confiscate their assets. We are not doing this out of revenge; we want the belongings of the Guatemalan people to be returned to their place of origin so the people can use them, as it should be.

[Singares] Mr. Attorney General, are you not afraid that once these plans are known, steps will be taken to hide the assets and accounts.

[Tuna] They know these types of measures are always taken. It is the normal thing to do in a situation of this nature. These are preventive measures, initial measures. They know that. It is the first thing their attorneys will tell them. They are aware that we are requesting these measures. I will tell you that the transfer of capital is difficult to control at that level. Assets and real estate in the capital are easier to control because there is a different framework.

[First unidentified reporter] Colleague Singares, allow me to ask the attorney general a question. Mr. Tuna, Panamanian Foreign Minister Julio Linares has said that Mr. Serrano is a political refugee. What do you think about that?

[Tuna] Ours is a procedural position. According to Guatemalan law, the Attorney General's Office has the authority to ask any criminal court judge to issue arrest warrants. Extradition processes must be filed with the Foreign Ministry when the person escapes from the country.

According to international law, the Guatemalan Foreign Ministry must follow up this second phase in compliance with a judge's ruling.

The Guatemalan Foreign Ministry then files a request to Panama, then Panama, in keeping with the Montevideo Agreement of 1933, decides whether or not extradition to Guatemala is applicable.

That is beyond the scope of the Attorney General's Office. It falls under the jurisdiction of the Panamanian Foreign Ministry as soon as that ministry receives the extradition request from the Guatemalan Foreign Ministry.

[Second unidentified reporter] According to the Guatemalan attorney general, Mr. Jorge Serrano is not a political refugee but a person who escaped from Guatemalan justice. I do not know if Mr. Singares has another question for the attorney general, who has been kind enough to grant us this telephone interview from his office.

[Singares] The fortune of dictator Noriega is behind us now. You have initiated an investigation and are trying to recover money for the Guatemalan people. How do you think this Serrano matter will conclude?

[Tuna] We are working with the courts. We are gathering evidence to establish the size of the fortune Mr. Serrano declared when he became president. Based on that we are going to determine what he acquired during his presidential term to see if what he has now corresponds with what he declared. Any difference would mean that money was illegally obtained. That is what my office is doing. Regarding Mr. Linares' statements, I think he is ill-informed because I do know about agreements and how they function.

We have filed a request with a judge and a judge ordered the extradition request. It is at the Guatemalan Foreign Ministry. From there it will go to the Panamanian Foreign Ministry and will be processed according to Panamanian laws. We have nothing to do with that.

I think the Panamanian foreign minister spoke loosely if he said the things you mentioned because [words indistinct] and that is what a Guatemalan judge ordered.

We have adhered to court procedures in this matter that has been taken to the Guatemalan Foreign Ministry. At this point it is a matter between the foreign ministries.

Talks With U.S. Missionaries' Captors Fail

PA1606180893 Panama City EL PANAMA AMERICA in Spanish 16 Jun 93 p10A

[Report by Arnulfo Barroso Watson]

[Text] The New Tribes religious group has not succeeded in convincing the kidnappers of three of its missionaries in Panama that negotiations must be held in person and not through communication radios, a top government source has stated.

This source explained that the negotiations failed because the captors and the New Tribes members did not reach an agreement on a time and place to meet to negotiate the missionaries' release.

He added that the kidnappers are demanding a $3-million ransom for the release of U.S. citizens David Mankins, Richard Tenenof, and Marc Rich, who were kidnapped on 31 January in Pucuru, Darien Province.

So far the identity of the kidnappers has not been established, although reports from Pucuru residents implicate Revolutionary Armed Forces of Colombia (FARC) guerrillas.

The aforementioned source stated that the Panamanian Government is staying in the background for fear the hostages may be killed, although he said Panamanian authorities are ready to provide the missionaries stationed in Panama (Chame) all the support they request. New Tribes asked the local authorities to let them negotiate the hostages' release.

Official Says Iraqi Involved in Bombing Not in Country

PA1606181793 Panama City LA PRENSA in Spanish 16 Jun 93 p 3

[Article by Orlando Mendieta C.]

[Text] Immigration Director Antonio Dominguez has denied reports that Ramzi Ahmad Yusef, an Iraqi accused of selling the explosives used in the World Trade Center bombing in New York, is in Panama.

Dominguez rejected local unofficial reports claiming the Iraqi citizen, who became wanted by U.S. authorities after leaving the United States, is in our country.

Meanwhile, LA PRENSA has learned the Interpol office in Panama has received information on Ramzi Ahmed Youset, including possible aliases he might use to enter any country.

According to an Interpol source, the documents received contain routine information since Ramzi Ahmet Youset is an international criminal and the information has been distributed worldwide to assist in his capture.

Ramzi Ahmad Yusef is accused of supplying the explosives used in the 26 February attack against the twin towers in New York.

Argentina

Defense Minister: Condor-2 Not on Clinton-Menem Agenda

PY1606213693 Buenos Aires TELAM in Spanish 1921 GMT 16 Jun 93

[Text] Buenos Aires, 16 Jun (TELAM)—Defense Minister Oscar Camilion today stressed: "The Condor-2 project has been totally terminated as far as its manufacture as a weapon of mass destruction is concerned."

Camilion explained that there is only a "possibility" of recycling the Falda del Carmen plant "for peaceful uses." He added: "This is a goal that is being clarified because it is not that simple."

The defense minister made these remarks after a ceremony to mark the departure of the frigate "Libertad"—a training ship—that was held at the metropolitan port's North Dock.

The defense minister pointed out that all "possible efforts" will be made "with the U.S. Government in order to usefully recycle the Falda del Carmen plant."

Concerning U.S. concern about the Argentine missile, the defense minister made it clear that "this is not a problem for that country alone, but for the international community" that deems it "unwise."

Camilion noted that this issue will not be on the agenda that will be discussed between President Bill Clinton and President Carlos Menem on 29 June. He pointed out, however, that "the way in which the Falda del Carmen plant can be recycled may indeed" be included on the agenda.

The defense minister denied the existence of a "fuel plant" in Falda del Carmen in Cordoba Province. He added: "The Condor project, as a project to manufacture this type of weapon, has been totally abandoned."

Concerning the arrest of former First Class Sergeant Gerardo Cantarini, who was removed from the Army after former Colonel Mohamed Ali Seineldin's uprising on 3 December 1990 and who now has been arrested by police for joining a criminal gang, Camilion responded: "This issue involves the Interior Ministry."

Camilion emphasized that he will not "meet" British Corporal Vincent Bremley, who wrote the book "Excursion to Hell" and arrived in our country after reporting last year about firing squad executions of Argentine soldiers during the Malvinas war.

The defense minister confirmed that next week he hopes to meet Chamber of Deputies members. He noted, however, that the Seineldin issue has been "exhausted."

Camilion finally stressed that "there is not the slightest possibility" that former Col. Seineldin is concocting some movement from the Magdalena prison.

Self-Styled Group Declares 'Holy War' on Menem

PY1606181493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0004 GMT 16 Jun 93

[Text] Buenos Aires, 15 Jun (NA)—A self-styled "Cristo Rey Catholic Fundamentalist Group of Resistance Soldiers" [Agrupacion Catolica Fundamentalista Soldados de la Resistencia 'Cristo Rey'] today announced it has declared "holy war" on President Menem "and his henchmen, jewish capital, and IMF masons."

Through a communique delivered in a sealed envelope to NOTICIAS ARGENTINAS news agency offices, the alleged fundamentalist group calls on "all Catholic nationalist militants who have no yearning but to defend the fatherland which has become a killing field."

The brief typewritten communique contains three paragraphs in which it states: "When the spirit of a nation has been perverted by its corrupt leaders and rulers, there is no path other than that of the Cross and Martyrdom to recover it."

* Menem on Support for Constitutional Reform

93SM0279B Buenos Aires CLARIN in Spanish 9 May 93 p 6

[Article by Nancy Pazos: "More Than 70 Percent of the People Want Reform"]

[Text] Chapadmalal (special correspondent)—Carlos Menem has departed from the script. After more than a week of complying to the letter with his own order not to talk about the issue of reform, the president has once again voiced his most deeply felt political wish. He recalled yesterday that "more than 70 percent of the people are in favor of reforming the Constitution" and that the issue "has come before the leadership, before every political community, but mainly before the Argentine people."

These words, the last that Menem spoke at the press conference that concluded the two days of work with provincial governors and national ministers, did not seem to mark another change in the official strategy in favor of reelection, however. They simply reaffirmed that within the top echelon of the ruling party there are two factions that have different views on how to bring about reform. According to the members of the factions themselves, they are moving slowly but surely toward a collision.

Until the end of the conference Menem had displayed an attitude that was altogether consistent with the campaign strategy that the Interior Ministry is developing. "Outside the Casa Rosada we have to put up a sign that reads only 'men working,'" one of Gustavo Beliz's men remarked in the garden of the Mar del Plata complex.

The setting for the encounter symbolized the proposal perfectly, and Ministers Domingo Cavallo and Enrique Rodriguez, one with the three-year plan and the other

with the labor reform under his arm, seemed to have spontaneously taken up the interior minister's banner.

The president himself stuck to the model during the first part of his press conference. He clarified that he would discuss only issues related to the meeting, hinted that the newspapers should headline the accord that was signed with the British to protect the environment, and talked up the technical aspects of the labor reform to his audience.

But not all of the participants at the summit meeting had been that absorbed by government activity. The discussions in corridors among the cabinet ministers themselves showed that it was not all that one-dimensional.

"While they discuss ideology, we are trying to prevent anyone who might wind up indicted from heading the party," one of Eduardo Bauza's followers said, almost with annoyance, in alluding to the situation of former Minister Julio Cesar Araoz.

The only discussions here about politics, in the traditional sense of the word, revolved around the figure of the secretary general of the presidency.

Bauza, Eduardo Duhalde, Eduardo Menem, Carlos Corach, and a few governors discussed the situation of the Justicialist Party, PJ, (one of the meetings took place on Friday evening, when Menem sneaked off to the local cable channel to watch River lose to Platense). They put forth the name of Ruben Marin as a candidate to head the PJ, and called on the other Peronist province governors to attend the next meeting of the party council.

It was Bauza who again seduced Menem with the idea of a plebiscite and told him that reelection was already an issue and that, therefore, it was ridiculous to sidestep a debate on it. His jawboning bore fruit yesterday.

Leaning against a wall facing one end of the large hall in Chalet One at the tourist complex, and after listening attentively to Menem's words, one governor voiced his particular thoughts: "We have to integrate our ideas right now, because our government's double message is already leaving a mark even on the chief."

* Broad Reform of Municipal Government Viewed

93SM0279A Buenos Aires CLARIN in Spanish
3 May 93 pp 10-11

[Article by Ceferino Reato]

[Text] **What Would Change**

- The direct election of the mayor in 1995 is being proposed.
- Sixteen to 18-year-olds could vote.
- The current 60 councilmen would complete their terms in 1995. They would be replaced by 37 representatives to be elected at that time. The Deliberative Council would be called the Board of Representatives.
- The city would be divided into 11 districts. The functions that the mayor now discharges would be decentralized.
- The representatives (former councilmen) would be elected under a mixed system: two in each of the districts and 15, as now, with the city as a single jurisdiction.
- The district presidents would be elected by the residents of each district as of 1997.
- There would be mechanisms such as the referendum, plebiscite, and recall.
- The ombudsman would also be elected directly.

The government wants "all citizens who have reached age 16" as of election day to take part in the planned 1995 direct election of the mayor of Buenos Aires. So reads Article 8 of the bill on the political reform of the Federal Capital, which will be submitted to Congress in a week or two.

President Carlos Menem had announced the reform for the Federal Capital on 19 April, and the interior minister, Gustavo Beliz, explained what it meant the following day. But the final version of the bill, which CLARIN has seen, was not finished until this weekend.

One of the changes is the optional vote for 16- to 18-year-olds. The government is thus beginning to make good on its controversial initiative to push for voting rights for 16- to 18-year-olds, as it announced on 23 March; until now it had been planned only for internal party elections.

Under the political reform that the government is proposing, there will be fewer councilmen, and even the name of the Deliberative Council will change; it will now be called the Board of Representatives. In 1995 Buenos Aires residents will elect, besides the mayor, the 37 representatives who will take the place of the 60 current councilmen, whose terms "will automatically expire."

Clearly the government is betting that in two years the slate will be wiped clean in Buenos Aires politics and that all posts will be up for grabs, from the mayor to the councilmen or representatives, and including the ombudsman.

Until now the capital has been enemy territory for the ruling party. The Radical Civic Union (UCR) always wins there, as can be seen in the makeup of the council, where the UCR has more seats and Peronism is in the minority. What the government does not know is whether the Radical Party will meekly allow its majority bloc of councilmen to give up their seats.

The draft of the new charter for the Municipality of Buenos Aires contains 128 articles and was written by Minister Beliz's team, in particular the colleagues of the secretary of institutional affairs, Abel Fleitas Ortiz de Rosas and the undersecretary for political reform, Jose Luis Di Lorenzo.

The political reform of the capital embodies many studies and proposals, including one from former Mayor

Carlos Grosso. Similar reform proposals are currently before the Chamber of Deputies, among them one sponsored by Peronists Jorge Arguello and Eduardo Valdes and one from Radicals Antonio Maria Hernandez, Facundo Suarez Lastra, and Gabriela Gonzalez Gass.

The bill also divides the city into 11 districts, which will be run by district presidents and will perform local functions that are now concentrated in the mayor's office. The district presidents will be elected by the residents of the district, but not until 1997. The current neighborhood councils will disappear in 1995.

Delays

As President Carlos Menem announced two weeks ago, the bill should have been submitted to Congress on 1 May. But the final version was delayed a few days.

One of the reasons for the delay was that the optional vote for 16-to 18-year-olds was incorporated into the bill. A CLARIN poll has already revealed that 60 percent of the population is opposed to the proposed vote for 16-to 18-year-olds, regarding it as a "vote-getting" scheme. Although there are more positive responses among the young people who would be given the right to vote, not even in this age group do they reach 50 percent.

Another last-minute change came at the request of the UCR and some smaller parties. The government's bill at first changed the system of electing councilmen or representatives completely. Beliz' idea was that the residents of each district would elect three representatives.

Complaint Worked

The political reform of the capital that the government is proposing underwent some changes even before leaving the Casa Rosada. At first, Interior Minister Gustavo Beliz announced that as of 1995 each district would elect its own councilmen.

The Radicals and other opposition forces kicked up a fuss, however, and said that the bill would exclude the smallest parties from the new Deliberative Council, inasmuch as they would need a least 20 percent of the vote to secure a seat.

Meetings were held with these parties last week, and Beliz decided to change his initial stance. There will now be a mixed system of election. Each of the 11 districts into which the city will be divided will elect two representatives, and another 15 will be chosen, as now, with the city as a single district. There will thus be a total of 37.

The government indicated that "we still think that the original version was better, but we changed it so as not to arouse false suspicions or offend susceptibilities."

As for the district presidents, they will perform neighborhood functions. For example, educational or health care policy will remain in the hands of the mayor, but the maintenance of hospitals and schools and the supervision of school cafeterias will come under the district president.

In 1995 the district presidents will be appointed by the mayor-elect. From then until 1997 the mayor and the Board of Representatives will oversee the operation of the districts and provide funding for them.

Each district comprises a series of neighborhoods; for example, there is a Boca district and a Palermo district.

Each district president will be advised by a Community Council, which will be made up of representatives of intermediate organizations. The reform also provides for mechanisms that are unprecedented in the capital but very common in other major world cities, such as the referendum, the plebiscite, and recall of officials.

The bill also has its gaps. For example, it says nothing about the decisions that are now made in the various offices of the government, without input from the mayor, and that affect the daily life of Buenos Aires residents, such as the operations of the mass transit system and the Federal Police.

Di Lorenzo told CLARIN that "for now we are preserving the functions that the municipality currently has. This is a very complex issue, and we are looking into all these matters with Mayor Saul Bouer before making a proposal."

* Labor Minister on Need for Competitive Edge

93SM0279C Buenos Aires CLARIN in Spanish 10 May 93 p 18

[Editorial by Labor and Social Security Minister Enrique Rodriguez: "We Will Reduce Unemployment"]

[Text] When Dr. Carlos Menem took office in 1989, a period of structural change began in Argentina; its pillars have been the State Reform laws, the Administrative Emergency, and the Convertibility Plan in the economic arena. These changes have been accompanied by a transformation of labor and social security policy.

The goals of this reform are to lower unemployment, to safeguard the rights of the workers, and to design an income policy that encourages investment, promotes the competitiveness of our economy, and substantially raises the workers' level of income.

Other laws have preceded this process of transforming labor relations. But the process is not over yet. This bill includes a series of measures that, like most economic recoveries in countries with modern economies, seek to adapt the rules of the labor market with a view toward promoting the creation of new job opportunities.

The sweeping structural changes that have taken place in the international economic and social context of which Argentina is a part have altered the nature of work. Among them we can mention technological change, the

need to make Argentine companies more competitive so that they can keep or gain domestic and foreign markets, the different organization of labor in a company, and the increase in the labor force participation rate owing to the women and young people who have entered the job market.

In the face of these new problems we must reassess the philosophy that accords the right to a job as a principal human right. Although legislation by itself cannot solve these problems, it does have a calculated impact on the organization of labor relations.

The Taylor and Ford systems of labor organization are no longer used. The old self-sufficient factory of the 1940's, built behind high walls that isolated workers from the community, as well as the assembly line work that Chaplin depicts in the film "Modern Times," bear no resemblance to the techniques that are employed at present.

These systems, based on a strict delimitation of tasks, are no longer effective in the wake of technological progress. The modern trend is toward smaller and smaller categories, setting the stage for a group of skilled, motivated workers who identify with the interests of the company for which they work and with the possibility of performing more than one task.

This is closely tied in with the issue of the workday. Argentina's laws are not well suited to the current needs of production. Our workday law dates from 1929 and contains provisions that fell into disuse some time ago.

The proposal seeks to amend these provisions extensively, as is happening in the most advanced countries, and to gear them to the new system of production.

In turn, these kinds of measures must be complemented by professional training, both to bring the unemployed back into the labor market and to enhance the skills of the employed so that they can keep pace with technological change. This will create opportunities for first-time job seekers (young people or women), for the unemployed, and for workers with jobs so that their enhanced skills lead to higher salaries.

The reforms that I have described should be part of the wide-ranging change that is enabling Argentina to progress from government-assisted capitalism to a competitive social organization that is not regulated by the state. This is the only way to consolidate a full-fledged democracy in which the scope for collective bargaining between labor and management can be broadened.

Brazil

Perez Interviewed on 'Unexpected Setback'

PY1606202093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jun 93 p 17

["Exclusive" interview with suspended Venezuelan President Carlos Andres Perez by O ESTADO DE SAO PAULO reporter Roberto Muniz at La Casona presidential residence in Caraca, Venezuela on 8 June]

[Text] [Muniz] How do you feel having been suddenly removed from office?

[Perez] I must admit it was a severe and unexpected setback for me. I decided to make necessary economic adjustments in a country where the system had reached the end of the line and the country was on the brink of economic catastrophe. The economic package I implemented brought about a terrible shock in the country and a radical change in the lives of Venezuelans. Inflation was running at 80 percent at the beginning of my administration. During the first three years of my administration, however, we registered the highest growth in Latin America attaining an average 8 percent annual growth rate. But all this took place amid a tense political situation, a marked dissatisfaction that was mainly caused by the terrible blow dealt to the middle class. That was, in sum, the crisis we lived. And yet I do not regret anything.

[Muniz] What are your expectations about the action brought against you?

[Perez] I believe that I will be cleared of all charges. I am accused of crimes—embezzling $17.2 million of a secret fund for defense—which I could never have committed. The president neither authorizes payments nor handles money. But even though this is a grievous moment for me, I am a Venezuelan who has played an active role in defending democracy. I believe I set an example of democratic behavior to my country.

[Muniz] Is your current situation similar to that of [former] Brazilian President Fernando Collor?

[Perez] I am really sorry for what happened to President Collor de Mello. First, because I developed a relationship with him and I appreciated his youthful way of tackling things. Second, because it is painful to see that this Latin American phenomenon is still prevalent, namely that we are unable to live in democracy, that we always swing from dictatorship to corruption. And lastly, it is sad the first president to assume office in Brazil, elected by popular will after so many years, removed in such a way. I do not know all the ins and outs of the case. My case refers to the authorization I gave—pursuant to the law and the Venezuelan Constitution—to modify the final destination of an appropriation of confidential state expenditures. The responsibility for such an action lay at the ministerial level. There is no specific accusation against me, and I do not believe any charges can be brought against me. It has not been proven that the money was not appropriated for what was originally approved by law. Moreover, contrary to what it was said, the Venezuelan people followed my case with expectation and anguish, and never with joy.

[Muniz] And the ensuing demonstrations by students in Caracas, did they not represent popular disapproval?

[Perez] You could not have heard, in Venezuela, talk of one single demonstration in the neighborhoods, one single expression of dissatisfaction by the poorest people. A subversive campaign was mounted in which small groups left over from the guerrilla fight mobilized a few high school students who burned automobiles and buses. But nothing else. The country is absolutely calm.

[Muniz] Do you believe Latin America is experiencing a "fujimorization" process?

[Perez] That fact especially worries me. When I learned about what happened in Peru, on that same evening, a few minutes after President Fujimori made his decision, I called him by phone. I have relations with all Latin American presidents. Unfortunately, he did not answer my call. Venezuela then took the initiative of asking the OAS for an immediate meeting of foreign ministers. I was not satisfied with the OAS lukewarm reaction. That made me decide to suspend diplomatic relations with Peru.

[Muniz] Does the OAS have the forces to reverse the situation?

[Perez] It should at least adopt measures similar to those adopted—also by Venezuela's initiative—against the coup in Haiti. I think Peru set a nefarious precedent in Latin America, something that influenced the two coup attempts in Venezuela. It also influenced the ridiculous decision (the frustrated self coup) by Guatemalan President Jorge Serrano, whom I also phoned immediately upon learning his intentions. He answered the phone. For more than half an hour I tried to convince him that he was making a very serious mistake, changing the people's sovereignty for the sovereignty of the military. I told him that if the military were supporting him at that moment, they could at any moment seize power from him. He promised to try to reach an agreement with the political parties. That did not happen. Fortunately, the military seem to be yielding to international pressures and will restore, or has already restored full democracy in Guatemala. But there is no doubt that Serrano followed the bad example of Peru. President Serrano told me he was running the risk of receiving the same treatment given to me. I said: "Well, you must respond as I did." There is, therefore, the risk that military coups could happen again.

[Muniz] Political analysts are already talking about the need to grant amnesty to Bolivarian military coupists. Did you have that intention?

[Perez] No. That would have been extremely serious. I believe the most serious crime committed by a military officer, after treason to the fatherland, is that of using the weapons entrusted to him to attack his own nation. Several factors influenced the coup attempt. The first was the deterioration of political parties and an anti-party attitude developed in Latin America. The second was that a group of relatively important people managed to create a climate favorable to the coupist action. Other subversive people, remainders of the guerrilla that emerged here after the Cuban victory, joined that group. Another factor was that some people, frustrated with democracy, assumed antidemocratic positions.

[Muniz] Was your life in jeopardy at any moment?

[Perez] During the two rebellions. First on 4 February (1992), I broke out of the siege of tanks that were bombarding Miraflores, to recapture a television station that was in the hands of the rebels. On 27 December, Miraflores was bombarded from the air. In both cases, I could have been assassinated.

[Muniz] What do you think of journalist Jose Vicente Rangel (the first to accuse Perez of corruption)?

[Perez] He played an important role in all those denunciations, there is no doubt about it. It must be stressed that he had the full protection of the law in his work, with no government interference whatsoever.

[Muniz] Does the policy of an unconditional free market work in Latin America?

[Perez] Neo-liberalism is fiction. It is valid only where there is a market, not in Latin America. Total suppression of state interventionism does not work (in Latin America). We must admit, however, that the state has grown too big among us, making development very difficult. The solution is gradual privatization. Another solution would be private administration (of some areas) of public service, such as the water supply, hydroelectric companies, and highways.

[Muniz] Will you run again for the presidency?

[Perez] A Venezuelan president can again run for president only after two presidential terms: 10 years. For the time being I am not considering it. I am a senator for life. Moreover, I have a commitment with Latin America. Venezuela played a very important part in Central America in returning democracy to Nicaragua and El Salvador.

Planning Minister: No Budget Cuts for Military Ministries

PY1606022293 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Jun 93

[Text] The three military ministries are the only ones that will not suffer any budget cuts. This announcement was made today in Rio de Janeiro by Planning Minister Alexis Stepanenko. The minister stressed that a cut in the military area might affect national security:

[Begin Stepanenko recording, in progress] ... because the military ministries already have been suffering a series of cuts in the past and these people, who may be excluded from the budget from now on, actually do not represent an expenditure and we must think of national security. [end recording]

The planning minister also reported that, in addition to the military area, the legislative and judicial branches,

the IBGE [Brazilian Institute of Geography and Statistics], and the IPEA [Applied Economic-Social Research Institute] will not suffer any budget cuts.

Minister Stepanenko said the day after tomorrow the government will announce the percentages of the ministries' budget cuts.

Daily Publishes 'Text' of Immediate Action Program

PY1706000093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 93 Economy and Business Section p 19

["Text" of "Immediate Action Program," "Programa de Acao Imediata," released by the Finance Ministry in Brasilia on 14 June]

[Text] Only four countries in the world registered an inflation rate of more than 1,000 percent last year: Russia, the Ukraine, Zaire, and Brazil. But those countries' high inflation rates are the result of devastated economies, which is not the case in Brazil. Despite the effects of the long recession, the Brazilian economy remains strong. This is evident by the growth in exports, the industrial productivity increase, the increase in agricultural production, and the recovery of growth in terms of the Gross Domestic Product in the past few months.

The economy is healthy but the government is sick.

The diagnosis of the basic cause of this inflationary disease already has been made: It is the financial and administrative disorder of the public sector and its multiple symptoms:

—Difficulty in finding resources to pay for basic services and government investments essential for the country's development;

—Squandering of scarce resources through waste, inefficiency, corruption, tax evasion, and the states' failure to pay their debts;

—Uncontrolled indebtedness by states, municipalities, and state banks;

—Increased tension caused by distribution conflicts at all levels.

The financial disorder ends up weakening an absolutely essential executive branch responsibility, which is to interpret the nation's priorities when ordering the allocation of resources.

If the government is not able to practice a fiscal policy looking to the future, the Central Bank is unable to practice an active monetary policy.

The basic prescription to treat the disease is also known: The government must put its house and public accounts in order.

The financial and administrative reorganization of the state has implications that go well beyond the economic field. It is a national salvation task and a political challenge that can be summarized in the following terms:

—Brazil will be able to consolidate its democracy and reaffirm its unity as a sovereign nation only if it overcomes its acute needs and the social inequalities affecting the daily life of the population;

—The social debt will be paid only if we can recover our self-sustained economic growth;

—The Brazilian economy will again achieve lasting growth if the country defeats the superinflation that paralyzes investments and disorganizes the productive apparatus;

—Superinflation will only be definitively defeated if the government can order its accounts at the federal level, as well as at the level of states and municipalities;

—The only way to put order into the country's public accounts will be for political forces to firmly walk in that direction, putting minor interests aside.

This is what Brazilian society expects from its legitimately established authorities. There is no way to postpone a decision or pretend the situation is normal. The risk is to compromise people's belief in democracy and the country's future.

Therefore, something must be done and immediately.

The recovery of public finances does not only entail spending less and collecting more. It entails a broad reorganization of the public sector and of its relationship with the private economy, which includes:

I. Cuts and more effective expenditures;

II. Recovery of tax revenues;

III. Solving the problem of states and municipal districts not honoring their debts to the federal government;

IV. Strictly monitoring and supervising state banks;

V. Rehabilitating federal banks;

VI. Privatizing.

The following package of measures faces this challenge, starting with the most arduous task of determining what the central government's true budget is, that is, its expenditures as well as revenues.

At this point a warning should be made: The fact that the reorganization of the public sector is regarded as the basic mission of the political forces does not exempt the economic elites from their share of responsibility.

Enterprises—especially the large ones—cannot continue reducing their production levels and increasing their profit margins by increasing prices, while workers show their maturity by defending the employment level.

If government is largely to blame for inflation, its banks are equally responsible. Many banks make large profits, not because they are efficient, but due to the high interest rates in the market. If inflation were to drop, thus allowing the reduction of interest rates, many institutions would have to resort to the Central Bank to survive. This is why rehabilitating the banking system, including public and private banks, is necessary so it can function comfortably under a low inflation rate.

Lastly, tax evasion can no longer place a disproportionate portion of the tax burden on the salary earners nor grant certain enterprises a competitive and spurious advantage over those who pay their taxes.

I. Reduction of expenditures:

In any mature democracy the government's budget is the basic tool through which the constituted branches determine to what sectors of the society to allocate the available public resources. This has not been the case in Brazil.

During the past few years the federal government's budget has authorized expenditures well above the revenues that could be collected. The attempts to increase revenues by the implementation of plans to increase taxes has had mediocre results due to the exhaustion of taxpayers. Therefore, part of the expenditures are financed by additional public debt, increasing interest rates, and inflation. Another part ceases to be executed through restrictions, default, or delaying payments, which is decided in an arbitrary and irrational manner. A third portion is simply eroded by the real inflation rate, which is always higher than estimated when the budget law was approved. The government thus ends up using inflation to match its expenditures with the available revenues.

Things are no different in 1993. Nobody who has an idea of the situation of public finances thinks all the expenditures listed in the federal government's 1993 budget are feasible. This is an illusion that must be wiped away in the name of the mutual respect the executive and legislative branches have for one and another and the trust that the people have in these two branches.

But it is not sufficient for the executive branch to precariously reduce the budget deficit by cutting back expenditures at the Treasury's doors. This will only delay expenditures. Moreover, the stampede to free resources has been an incredible source of obtaining personal gains and corruption. This fact is mentioned in the final report of the Senate's CPI [Congressional Investigating Committee] on Paulo Cesar Farias' activities during [Fernando] Collor de Mello's administration.

A realistic budget entails an aboveboard and realistic concerted action by the executive and the legislative branches in order to put an end to the government's deficit, not through repression but rather through the elimination of the sources of government spending. However thorny this task may be, it is unavoidable in order to abandon fiction and put together a budget that should faithfully portray the country's priorities, and is indeed implemented with integrity.

To this end the following measures have been submitted to President Itamar Franco:

1. Cutbacks in public spending budgeted for this year amounting to $6 billion for all ministries. It will be incumbent upon each ministry to pinpoint the areas in which cutbacks will be implemented pursuant to the priorities defined by President Itamar Franco and passed by the national Congress. A bill modifying the current budget—which will result from that agreement—will be submitted to Congress by 30 June.

2. As long as this new law modifying the 1993 budget is not passed, cutbacks will be implemented by means of quarterly spending quotas for each ministry to strike a balance between expenditure flows and tax revenues actually collected.

3. Drafting of a 1994 budget bill that will be based on a realistic estimate of that year's tax collection. This will enable the executive branch to commit itself to abiding by the authorized expenditure, which will in turn be defined in a realistic and open way.

4. Taking steps in the Senate for prompt dealing with the bill, which already has passed the Chamber of Deputies, that provides that civil service salaries cannot exceed 60 percent of current tax collections at federal, state, and municipal levels.

5. Submitting to Congress a complementary bill provided for in the only paragraph of Article 23 of the Constitution that establishes regulations for the federal government's appropriations to states and municipalities. This law will clearly define the programs in which the federal government is not entitled to participate either directly or indirectly as they refer to typical actions that come under the jurisdiction of other governmental levels, as well as the limits to the federal government's participation in areas in which there is a concurrent constitutional jurisdiction. In these cases, only those states and municipalities that duly comply with the federal government and its agencies will receive federal funds.

II. How To Increase Tax Revenue

Notwithstanding the draconian cutbacks in public spending, Congress' passage of the law regulating the IPMF [provisional tax on financial operations] is a sine qua non for balancing the 1993-1994 federal budget.

The IPMF is a precarious, albeit absolutely essential, solution in light of the fiscal crisis' seriousness. A realistic tax policy, which would be concurrent with the realistic budget, will only be possible once a comprehensive reform is implemented within the constitutional reform. The government will commit itself to speeding up this process by providing Congress with information

and suggestions that will enable voting on a new fiscal and tax system this year so that it can be put into force in 1994.

Levels of tax evasion in Brazil are most alarming. Data collected by the Federal Revenue Secretariat and the Senate CPI show that for every cruzeiro collected there is another one withheld. It goes without saying that it is absolutely essential to increase tax collection by curbing tax evasion, mobilizing public opinion, and fully applying supervision instruments that the Federal Revenue Secretariat is empowered to use by law.

Herewith are some of the measures being taken in this regard:

1. The Federal Revenue Office will directly monitor the payment of taxes by the 30,000 largest companies in Brazil, which bill more than $150,000 per month. This measure, which currently affects 3,000 companies, by August will affect the 7,000 largest companies that bill more than $500,000 per month.

2. The Federal Revenue Office will immediately collect taxes on assets declared in 1992 from 115,000 private individuals.

3. The Federal Revenue Office also will immediately start notifying 300,000 private individuals who have failed to submit their tax report.

4. The Federal Revenue Office will immediately implement an exhaustive process to supervise 600 enterprises, selected according to size and the area of activities, that have maintained a large debt with the Revenue Office.

5. The Financial Administration Integrated System [Sistem Integrado de Administracao Financeira] will necessarily transfer to the Federal Revenue Office all information on payments made so that the latter may compare this information with other information supplied by other government agencies in the revenue field.

6. The Federal Revenue Office will immediately implement, on its own initiative, additional taxes for the 15,000 individuals who have already been identified by computer as people with a higher income than reported on their 1992-91 tax report.

7. The amendment of Law No. 8383/91 will be proposed to expand the possibility of benefiting from the tax credits compensation, to benefit the Treasury and the taxpayer who honors his debts.

8. The Federal Government Resources Service [Servico de Patrimonio da Uniao] will be ordered to make a new registry of the federal government's resources and to normalize its administration in order to obtain the maximum revenues, estimated at approximately $1 billion per year.

9. Urge the Attorney General Office to complete as soon as possible the hundreds of tax evasion cases submitted by the Federal Revenue Office by filing charges in those cases regarded as crimes.

10. Create a comprehensive list of private individuals and companies who have failed to honor their debt to the federal government, including the Revenue Office, the Treasury, the INSS [National Social Security Institute], and the FGTS [Severance Pay Fund]. Expressly prohibit those who have not honored their debts from signing contracts with the government, participating in competitive bidding, obtaining loans from state banks, and receiving or maintaining any federal government concession (radio and television, faculties, ports, airports, etc.). (Draft bill)

11. Establish punitive interest rates on fiscal obligations and debts to the Treasury so that charges for failing to honor debts to the Revenue Office, the Treasury, or the INSS will be in addition to the compensatory fine equivalent to the borrowing interest rate paid by the Treasury on public debt auctions.

12. Restrain special operations designed to evade payment of the exclusive tax on the source of financial gains for enterprises (National Monetary Council resolution).

13. Promote, together with the states, campaigns to encourage the consumer/contributor not to evade tax payment.

It is worth noting that we do not intend to fight tax evasion in order to increase government spending. What we intend to implement is tax justice to prevent a few dishonest individuals from profiting at the expense of the sacrifice of the majority of the people. The campaign also aims at creating the conditions for a future reduction in tax rates and the simplification of the tax system in order to improve the Brazilian economy's efficiency and competitiveness.

III. Relations With States and Municipalities

For many people government in Brazil means only the federal government. This is not true. State and municipal governments withhold 45 percent of all tax revenues. These governments have a payroll three times larger than the federal government, and their investments are five times higher. Those governments owe $40 billion to the federal government, and they are not paying on time. From September 1991 to December 1992 these governments stopped paying $2 billion to the federal government.

This is why states and municipalities cannot stay on the sidelines in any austerity drive. Regarding these governments, the federal government will act with flexibility but determination in order to:

—Reduce the transfer of funds from the federal budget that are not mandated by the Constitution;

—Normalize payments on delinquent debts to the federal government;

—Prevent the return of states and municipalities to the state of insoluble indebtedness.

We therefore must:

1. Suspend the signing of new agreements and the transfer of federal resources (except for those mandated by the Constitution) to states and municipalities that do not pay their debts to the government or its entities. (Presidential decree)

2. Advise all financial institutions of the suspension of exceptional conditions provided for in Resolution No. 1718 of the National Monetary Council [CMN], including operations in advance of budget financing (ARO). This measure will be extended to all public sector institutions and include all types of credit, except those of a commercial nature. (CMN resolution)

3. Conclude negotiations on state debt rescheduling in order for them to resume their debt service to the federal government.

4. Retain from local governments up to 100 percent of funds assigned by the States and Municipalities Participation Fund when these local government do not pay their debts to the INSS or other federal organizations. (Presidential decree)

5. Order federal banks to immediately implement clauses on contractual guarantees on all delinquent credits. (Presidential decree)

6. Suspend authorizations for the contracting by state and municipal governments of any type of credit with federal organizations for as long as they maintain a state of debt with the federal government or its agencies. (Presidential decree)

7. Suspend the granting of the national Treasury's guarantee to state and municipal governments wishing to contract foreign credits for as long as they remain indebted to the federal government or its agencies. (Presidential decree)

8. Demand from electric energy concessionaires the integral payment for the supply of energy to electric system providers through 1 January. Warn them of the application of severe sanctions that might include intervention against concessionaires that do not pay their debts. (Presidential decrees)

9. Establish criteria for granting national Treasury guarantees to states and municipalities. The granting of guarantees to governments that do not pay their debts to the federal government or its agencies will be explicitly forbidden without exceptions. In all cases, a double guarantee [conta-garantias] will be demanded based on the specific government's budget. (Draft law)

10. The national Treasury's Legal Department will speed up trials on active debts affecting entities under indirect state and municipal administration, giving them treatment identical to that given to private debtors. (Administrative measure)

11. Definition of the overall conditions for contracting public debts, including funded debts [long term bonds and notes] and fluctuating debts. The full exercise of tributary authority, prohibiting the contraction of debts beyond established limits and improving future saving and payment capacity, will be a prerequisite. (Complementary draft bill and Senate Resolution).

IV. State Banks

Except for rare occasions, state banks have in the recent past served as financial agencies for state treasuries, committing abuses like issuing an excessive number of domestic debt notes and insufficient reserves compared with their deposits. With financial sources like these, the state governments did not need to implement fiscal adjustments. The state banks, given the interference of their controllers, surpassed the monetary and fiscal goals of the federal government and asked for help in the Central Bank. In all, the Treasury had to pay the bill of these maladjustments.

For these reasons, and to make the state banks join the federal government adjustment effort:

1. The Central Bank will exert, with autonomy, and if necessary execute, warn, or intervene, the actions of the state banks. They will reinforce the rules that establish the state banks' minimum capital deposits, the limits on granting credits to the public sector, and control the form in which they administer domestic debt notes from the respective treasuries.

2. The White Collar Law [Lei do Colarinho Branco] will be applied to the official financial system, punishing with two to six years imprisonment any financial institution administrator who grants loans to a shareholder or any company he controls. This will prevent state banks from lending money to the states or their companies. (National Monetary Council resolution)

3. The Central Bank will strictly comply with its obligation to inform the attorney general of violations of the White Collar Law in order that he may recommend punishments established by law.

4. The Central Bank will be prohibited from granting financial "help" to the national Treasury to pay for streamlining state banks. (Presidential decree)

5. A program to restructure the state banks will be promoted to:

a) Allow state banks absorb the portfolio of the state development banks;

b) Reduce the amount of bank branches by eliminating those that have losses;

6. Ensure that state banks whose governments are in default to the federal government and its agencies, and the funds and programs from the budget of official credit operations, will no longer receive credits from the BNDES [National Bank for Economic and Social Development] and the CEF [Federal Savings Bank].

V. Federal Banks

Federal banks and financial organizations have common problems:

—Overlapping of performance, competing in the same markets, and offering identical or similar products;

—Dependency on the flow of federal government resources;

—Use of political judgment when opening of agencies, implying a self-devouring competition and shortage of operational agencies;

—Political influence in the concession of loans and financing;

—Strong pressure on the Finance Ministry, the National Monetary Council, and the Central Bank for the concession of privileged treatment that may exceed the financial system law;

—Tendency to get away from Central Bank control and from the rules of the controlling shareholder, which is the Treasury.

For all this, the following measures will be adopted:

1. Implementation of the White Collor Law also on federal bank administrators.

2. Redefining the functions of federal banks, streamlining the structure and avoiding double-dealings and reciprocal and predatory competition, seeking to consolidate the position of the Bank of Brazil as a financial conglomerate and as the Treasury's main financial agent.

3. To firm up the Bank of Brazil's trend toward agriculture, defining financial resources and ways to make it independent from capital resources provided by the Treasury and Central Bank special financing.

4. Until 16 July, the Agriculture and Finance Ministries will define with the Bank of Brazil the financial conditions of the next harvest, making very clear rules within the agricultural policy, taking into consideration Itamar Franco's government goals of technological modernization of agriculture, reducing the rural exodus, and increasing the basic food supply.

5. To purge the chain of federal banks agencies, closing those that are not necessary in accordance with the respective restructuring programs (Presidential decree).

6. The legal conditions of the Central Bank's autonomy will be strengthened to control and oversee the performance of federal banks, with the authorization to intervene and liquidate. (Complementary draft bill)

7. To privatize the Meridional Bank.

VI. Privatization

Public companies created in Brazil in the postwar era have played an essential role in the country's industrial development. It is now up to the government to reorganize itself and thus strengthen its action in other areas: programs in the health, education, nutrition, and housing areas, which the country lack, to pay its social debt; infrastructure, science and technology, justice and security, defense of the national currency and the balance of markets, and the expansion of foreign trade.

Privatization is a necessary step in that process of the federal government's role change. It is also imperative for the financial balance. From 1982 to 1992 the Treasury provided $21 billion to companies included in the current privatization program. In the iron and steel area alone, $12 billion was lost. Even after putting the financial situation of those companies in order, in 1967, practically all of them contracted new debts.

The fact is that most public companies were the object of a real plot among corporate, political, and economic interests. Of the public they only kept the name and the burden for the Treasury, which can no longer bear the cost of that disaster and does not have a way to finance the necessary investments in many of those companies.

The guidelines to follow comply with a general goal of accelerating and expanding the limits of the privatization process.

1. To quickly conclude the privatization of companies in the steel, petrochemical, and fertilizer areas, in accordance with the established program.

2. To begin the privatization of the electric and railroad transportation areas.

3. To simplify and accelerate the process of selling government shares in companies found in the Bank of Brazil and BNDES.

4. In the case of companies with profit possibilities, to sell share control but to keep part of the preferential shares in the national Treasury's hands so the public patrimony will benefit from the increase in the company's value thanks to private management.

5. To allow workers' credits in social funds to be used as privatization currency.

6. To reaffirm the government effort for a quick approval by Congress of the draft law that expands the possibility of participation by foreign capital in privatizations, eliminating existing restrictions.

7. To allow the exchange of part of the overdue and unpaid debt of state and municipal companies in the electric power and sanitation areas to the federal government for participations in its capital, which then will be sold in state privatization programs. (Draft law)

8. To promote the change of titles received by the transferor or successor in the sale of shares for special long-term public titles in order to solve the patrimonial problem resulting from the acceptance of those titles by the controllers. (Draft law)

9. To transfer the companies to be privatized from the control of the respective ministries to the Finance Ministry in order to facilitate the privatization process. (Draft law)

10. To strengthen the defense mechanisms of competition in order to prevent the creation of oligopolies or monopolies in areas where the excessive concentration of capital is undesirable from the economic and social point of view. (Draft law)

11. Publication by the national press of the assessments made by independent consulting companies.

12. The proceeds of the sales of state shares must necessarily be reflected in the budget and in Treasury reports. (Draft law)

13. Creation of a privatization fund with resources in cruzeiros collected by the Treasury from the sale of state-owned companies. (Draft law)

14. State companies that remain in government hands will have to strictly comply with budget and austerity guidelines. They will have their just prices and tariffs, but will have to account for their salary policy and operational efficiency, and will have to adjust their investment programs to government priorities.

15. To resume and strengthen together with the Planning Ministry the normalizing action of Sest [Special Secretariat for State Enterprises], to coordinate in an effective manner the fulfillment of government resolutions concerning salary policy, contributions to pension funds, distribution of dividends, and investment priorities.

16. To propose to the Treasury the freezing of the accounts of state companies that do not fulfill their obligations and are not adopting measures to pay their obligations.

The government understands that, with the effective implementation of this Immediate Action Program and the progressive improvement of public accounts, the added risk rate currently charged by the financial markets will drop and the Central Bank will have to apply internal interest rates that will come increasingly closer to the international interest rates for similar terms. In the same manner, the Central Bank must prevent that overvaluation of the exchange rate from affecting Brazilian exports. The devaluation of the exchange rate must, in principle, drop together with the inflation rate, while the public's trust will increase with the effective implementation of the government action program.

The government is instructing the Central Bank and the Treasury to continue their task of consolidating and publishing their accounts in a more transparent manner in order to clearly demonstrate that the additional financial needs of the public sector are being maintained within the limits established by the demand for currency and public notes. This process will strengthen the autonomy of the two institutions, allowing them to exercise their prime functions: The Central Bank must maintain the internal and external stability of the currency, prudently regulate the financial system, and control the liquidity of the payment system; while the Treasury must maintain an equilibrium between public expenses and income, regulate the liberation of funds for government programs, and administer the federal government's financial and patrimonial assets and obligations, as well as the public debt.

The government will continue to define the second stage of the opening process of Brazilian foreign trade. Thus, the government wants to close a chapter of our history marked by state control, ostracization from the rest of the world, social exclusion, and monetary instability. The government likewise wants to initiate a new stage of national development by maintaining the government's regulating power but allowing private initiative to lead the way, opening to international competition and aimed at social integration and economic stability.

Our essential objective is to ensure the resumption of economic growth on sustainable bases with the clear purpose of building a fairer society.

So far, inflation has disorganized public finances and the state administration, encouraged financial speculation, turned the poor into miserable, crushed the middle class, and suffocated productive Brazilian companies.

The Itamar Franco administration has a program to combat hunger that must be expanded and an economic policy whose objective is to generate jobs through the resumption of economic growth. Such guidelines are not negotiable. Therefore, the time has come to reassert these government commitments by saying no to inflation and recession.

In order to attain this, it is imperative to recover public creditability.

This will be done only with the support of Congress and the country.

That is the challenge. Let us face it.

Chile

Foreign Ministry Denies Production of Chemical Weapons

PY1606134893 Santiago Radio Chilena Network in Spanish 1100 GMT 16 Jun 93

[Text] The Chilean Foreign Ministry yesterday issued a communique stating that Chile does not produce chemical weapons.

The communique also notes that Chile, together with Argentina and Brazil, has urged other countries to ban weapons of mass destruction.

This communique was prompted by press reports on the disappearance and abduction of Eugenio Berrios in Uruguay and the alleged existence of chemical weapons in Chile.

Colombia

OPEC Secretary General Comments on Possible Membership

PA1606220493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Jun 93

[Text] Colombia is beginning to rub elbows with the large oil producers. The discovery of the Cusiana oil fields has placed our country on the list of those eligible to join OPEC.

[Begin recording] [Unidentified reporter] Doesn't Colombia have very little oil to qualify for OPEC membership?

[OPEC Secretary General Subroto, in English, with simultaneous Spanish translation] The only thing that is required to become an OPEC member is that the country be able to export. The amount of oil the country has is not important. Colombia now meets that requirement. [end recording]

Although Subroto insists that if Colombia becomes an OPEC member our country will participate in making important world decisions, our national government has not yet shown any interest in accepting this invitation. First, our country feels it is still a very small producer that can sell all it produces. Second, each member has to comply with strict export quotas, and this could pull Colombia out of the market.

President Gaviria has insisted that Colombia should continue promoting oil exploration. Gaviria spoke on the morning of 16 June, inaugurating the Latin American Energy Organization's OLADE 93, one of the most important meetings having to do with fuels.

[Begin Gaviria recording] By the middle of the next decade, we hope that Colombia will be able to export close to 1 million barrels of oil per day and to maintain 10 billion barrels of hydrocarbon reserves. [end recording]

Over 1,000 experts from several countries are attending the meeting. They hope to reach important agreements on fuel integration, particularly for Latin America.

Congressional Commissions Approve Social Security Reforms

PA1606154393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Jun 93

[Report by Ana Fernanda Valderrama]

[Text] The draft social security law has passed its first test. In a weekend marathon session, the seventh commissions of the Senate and the House of Representatives approved all the law's articles. If the law is approved in its current form in the plenary session, it will contain the following provisions:

If a worker is affiliated with Social Security Institute, he can remain so affiliated or change to a private pension fund. If a worker decides to remain with the Social Security Fund, he or she can retire after 20 years of service at 55 years of age for women and 60 years of age for men. If the worker decides to change to a private pension fund, he will have to work five more years and wait until age 60 for women and age 62 for men to be eligible for retirement. Pension contributions will rise from 8 to 10 percent in both systems, but in the private system it will be subject to increase, while in the Social Security system the contribution will be fixed.

As for health coverage, the following provisions will prevail: The worker may choose between the Social Security system and agencies subscribing to a system of prepaid medicine, at least until the Social Security Institute has totally sold or rented all its clinics. If the worker chooses one of the agencies, that agency may not impose prerequisites or waivers. In other words, if the worker wears glasses, for example, the agency may not demand that the worker give up the right to vision coverage at the time of affiliation.

The Social Security Institute or the subscribing private agency must cover the worker and his entire family; namely, the spouse and all children under 18 years of age.

Many legislators feel the amendment should be closely examined before it is approved by a plenary session of Congress, because more than one loose end could have been left untied in the weekend effort.

Representatives Comment on Reforms

PA1606163993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Jun 93

[Report by Ana Fernanda Valderrama]

[Text] Not all reactions to the changes in the social security law have been positive. While some people applaud the draft law, others say things have just come full circle.

Initial reactions to the law were noted on 15 June. To people in charge of administering the pension fund, the draft law is completely unbalanced. Workers feel that it is less traumatic than the original bill presented by the government.

[Begin recording] [William Fadul, president of Fasecolda, no expansion given] There is imbalance as far as the private pension funds are concerned. Practical considerations concerning the operation of the funds will make it necessary to correct the draft law, either in the plenary session of the Senate and House in the period beginning 20 July or on future occasions as necessity dictates.

[Saul Pena, president of the Social Security Institute workers union] I believe that, despite the adjustments that have been made, the economic, financial, and insurance sectors are unhappy because the profits they expected to make are not as large as they had initially anticipated. [end recording]

All the parties involved hope that the Congress plenum will make serious changes to the draft law before the most important draft bill presented by the government in the past 30 years becomes the law of the land.

Police Seize Large Drug Shipment at Airport

PA1706042393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Jun 93

[Text] On 16 June police seized one of the largest cocaine shipments ever discovered at El Dorado Airport in Santa Fe de Bogota. The shipment was headed for the United States. The drugs were found in a container along with other assorted merchandise. Police drug dogs examined the articles, including a box filled with skeletons and another with video tapes. The sniffing led the investigators to discover 14 boxes containing 1,000 kg of cocaine that were to be taken to Miami and sold there. Several airport employees are under arrest for their involvement in the shipment, the largest ever to be seized at this air terminal.

Ecuador

Finance Minister Cited on Foreign Debt Payment

PA1506032493 Quito Voz de los Andes in Spanish 2300 GMT 14 Jun 93

[Text] Mario Ribadeneira, head of the negotiating team for the foreign debt, said that Ecuador will service its commercial foreign debt only to the extent of its capabilities. Creditors want more and debtors want to pay less. In our case, Ecuador does not want to pay more than it can pay, Mario Ribadeneira, finance and public credit minister, has stated.

Ribadeneira added that the negotiations with creditors are suspended. These negotiations began in December and have been characterized by presentations of proposals and counterproposals. There is simply a waiting period during which the parties return to their respective countries of origin to analyze the proposals made and the positions adopted during the negotiations in order to continue the process, he stated.

The newspaper EL INDEPENDIENTE of Quito speculated that the suspension of the negotiations had to do with discrepancies regarding the payment of interest suspended one year ago and the amount to be paid.

Paraguay

PLRA Senator-Elect Comments On Military Venture

PY1506124093 Asuncion ABC COLOR in Spanish 14 Jun 93 p 6

[Text] With regard to the military's alleged intention of establishing a military political party, PLRA [Authentic Radical Liberal Party] Senator-elect Carlos Alberto Gonzalez has stated that the military would be seeking to set up an economic empire to continue cogoverning the country.

"Even though they did deny such a possibility, it seems they are seeking to establish an economic and social empire with members of the Armed Forces, both retired and in active service. Citizens cannot help but feel greatly concerned about this. The fact that there should be such an intention, which moreover entails the investment of a considerable sum of money to build a social club, an estimated $10 million, the source for which is unknown, is in all honesty quite worrisome," he said.

Gonzalez stated that "in a democratic country organizations such as this should by no means be established, nor should so important an economic investment be allowed without knowing the origin of the funds to be invested, especially if active duty and retired members of the Armed Forces are involved."

Gonzalez expressed surprise that General Lino Cesar Oviedo's name should figure conspicuously in the case of the social club which is to be built in Vinas Cue with funds of unknown origin. He said: "Once again the commander of the 1st Army Corps is reportedly the administrator of this powerful business venture. I would say that this entire affair is cloaked in a shroud of obscurity and doubts, which must be cleared up."

He conceded that retired military have the right to form organizations, but he reiterated that under no circumstances can organizations such as this one be allowed in a democratic country.

Gonzalez noted that "we do not deny that provided they fulfill the necessary legal requirements, members of the Armed Forces, either retired or in active service, should have the right to have recreational facilities, as is seemingly the case here."

He added: "The point is, though, that the issue is not all that simple, in so that this great economic and financial organization would seemingly have a political objective. This is absolutely inadmissible. We must not forget that there are constitutional provisions prohibiting members of the Armed Forces in active service from engaging in politics."

Gonzalez further stated that "suppose that the intention of this organization was in fact to establish some type of political entity. This would obviously be a stumbling block for the democratization process, and a threat to the institutionalization of the country's civic life and to the Constitution itself."

In conclusion, Gonzalez said: "It is obvious that, as may be presumed from a series of elements of judgment, some members of the military intend to continue cogoverning the country, and this is totally inadmissible."

Peru

Fujimori Pledges Early End to Terrorism

PM1606141293 Paris LE MONDE in French 16 Jun 93 p 4

[Interview with Peruvian President Alberto Fujimori by Dominique Dhombres; date, place not given]

[Text] Lima—[Dhombres] Do you still think that your "civlian coup d'etat" on 5 April 1992 was necessary?

[Fujimori] The question no longer arises. The outcome has shown that it was necessary. There are several reasons for this. First, terrorism was rampant and the state was in danger of collapse. Then there was the ineffectiveness of the democratic institutions. Last, it was seen that the extraordinary measures taken 5 April were supporteed by the population. This was verified in opinion polls and then in last November's elections to the constituent assembly.

[Dhombres] So do you have no regrets?

[Fujimori] No, and I think that the people have none either.

[Dhombres] Do you want to restore trhe death penalty for terrorists now?

[Fujimori] If we had had more appropriate legislation providing for capital punishment for terrorists, we would not have had 25,000 deaths caused by terrorism in 13 years. The priority is the human rights of the 22 million Peruvians, not those of the terrorists. In proportion to the population, there would have been 50,000 people killed in France! I think that some people are losing their sense of reality oiver this question of the death sentence.

[Dhombres] Could it be applied retroactivelky to Shining Path members already in prison—to their leader, Abimael Guzman, for instance? Your ministers say not. Is that quite definite?

[Fujimori] Personally, I would gladly have him executed immediately. He is a criminal. But it is true that the law does not permit it. Only if it is proved that he continued to carry out attacks after the new legislation was passed.

[Dhombres] You have embarked on a major privatization program. What should the state be left with?

[Fujimori] Ownership of water, for instance. Maybe its distribution, too. I also think that electrity distruibution should be completely privatized.

[Dhombres] Could you cite a success among the privatized industries?

[Fujimori] HierroPeru (the country's chief iron and steel works—LE MONDE editor's note) was heavily in debt. We sold it to a Chinese enterprises,and now it is successful. AeroPeru was losing $1 million a month. AeroMexico bought it.

[Dhombres] There is much criticism of the total privatization of public transport in Lima. There are reportedly many accidents caused by the private minibuses that pile in their passengers totally anarchically.

[Fujimori] That is a denigration campaign. It is true that there may be too many minibuses in some streets. But people have forgotten what happened before, when you had to wait 2-3 hours for a public bus. The lines were endless. They have disappeared. There was a kind of transport mafia throughout the country, with kickbacks paid to the municipal authorities. This is why I decided on this total derestriction. This mafia, which was very strong, had to be smashed.

[Dhmobres] The impression is that you completely reject the political class, what you call the "traditional parties" and in fact the entire system that existd before you.

[Fujimori] The democratic institutions were unable to deal not only with terrorism but even with the economic problems, people's poverty, educational needs. These institutions brought Peru to the edge of the abyss. This is my main criticism of the traditional parties.

[Dhombres] Particulartly of the APRA [American Popular Revolutionary Alliance], the party of your predecessor, Alan Garcia?

[Fujimori] Not only APRA. It was the whole system. Parliament did nothing, and the courts were incapable of halting the rise of terrorism.

[Dhombres] Do you think you have won the war against Shining Path?

[Fujimori] I think I will have put a complete end to the Tupac Amaru revolutionarty movement by the end of this year and Shining Path by 1995. I can now visit San Marcos university whenever I want, whereas it was impossible before. I also wanted to show that tourists can return to Ayacucho without fear. I went there myself in Easter week... I deal personally with the antiterrorist struggle, and I devote a great deal of time to it. For instance, when there are surveillance operations, I look at the videocassettes and issue orders to intelligence officers, telling them sometimes to hold back, and at other times to act.

[Dhombres] What did you feel when Shining Path leader Abimael Guzman was arrested 12 September last year?

[Fujimori] Immense satisfaction. I drank champagne.

[Dhombres] Will you form your own party?

[Fujimori] No. "Change 90" (the organization that supports Mr. Fujimori—LE MONDE editor's note) is a movement, not a party. The parties are weak in Peru at the moment, and that includes mine...

[Dhombres] You want the new constitution, unlike the previous one, to permit the president, and therefore yourself, to stand again immediately for a second five-year mandate. This is prompting much criticism.

[Fujimori] The freedoms of expression and of the press are totally respected. The opposition political circles criticize me. I tell them: Let us be democratic! It is the people who will decide.

[Dhmobres] What is the status of your relations with the Americans?

[Fujimori] They are very frank! There are many disagreements, of course, but things are proceeding. At first we had no interlocutor in the Clinton administration. It was easier with the Bush administration, but we have succeeded in making contact with some of Mr. Clinton's advisers.

[Dhombres] What do you think of President Jorge Serrano's failed attempt to assume full power in Guatemala? Did he try to imitate you?

[Fujimori] No. If he was trying to be mny pupil, then he is a bad pupil. The circumstances are entirely different. There is no danger of a collapse of the state there, as there was here.

[Dhombres] Is the economy recovering, as you promised?

[Fujimori] Growth resumed in the first quarter. We forecast a 3-4 percent advance this year. But I know that the recent period has been difficult for the people. I have visited the shanty towns., and it is true that the first 30 months of my term were very difficult. But there was nothing in the state coffers, and the state had nothing but debts everywhere.

[Dhonmbres] Has the fact that you are Japanese helped you or hindered you?

[Fujimori] I think it has helped me. I feel I am much closer to the Indians and half-castes than a white leader. I sometimes wear a poncho. I think people like that and trust me.

President Meets With Military, Police Officers

PA1706145193 Lima Global de Television Network in Spanish 0100 GMT 17 Jun 93

[Text] President Alberto Fujimori met on the morning of 17 June at the presidential palace with high-ranking military and police officers to discuss issues related to the struggle against terrorism and measures to support the execution of the 11 July national population and housing census.

The meeting, which took place behind closed doors, lasted for almost one hour and was headed by General Nicolas De Bari Hermoza Rios, commander of the Armed Forces Joint Command. Other high- ranking officials participating in the meeting include Navy Vice Admiral Alfredo Arnaiz Ambrossiani, Air Force General Jose Nadal Paiva, and National Police Director Victor Alvaba Plasencia.

The meeting ended at approximately 1100 [1600 GMT], and the military and the police director departed the presidential palace without making any statements to the press.

Terrorists Attack Former Mayor Michel Azcueta

PA1706162893 Lima Global de Television Network in Spanish 0100 GMT 17 Jun 93

[Text] Shining Path terrorists attempted to murder Michel Azcueta, former mayor of Villa El Salvador. The former mayor was slightly wounded during the attack. However, his bodyguard and four high school students were wounded more seriously.

According to witnesses, the attack took place at 0800 [1300 GMT] when Mr. Azcueta arrived to the Fe y Alegria High School where he has been working as a professor since 1971. He was accompanied by some his geography class students. A man carrying an AKM assault rifle approached the former mayor and pointed the weapon directly at him. Azcueta was able to dive for cover and roll over several times. Witnesses claim that this maneuver is what probably saved Azcueta's life; considering all the bullets that were fired, only one caught him in his right leg.

Meanwhile, five other persons surrounded the students and Azcueta's bodyguards and started shooting indiscriminately. This resulted in seven wounded, who were immediately taken to the Maria Auxiliadora Hospital, located in the San Juan de Miraflores community.

Injuries include the following: Police officer Gimber Pinedo Max, 42, wounded in the right shoulder; high

school students Marylin Marlene Montenegro Vasquez, 10, wounded by gun-shot to the right hip and right leg; William Matamoros Perez, 13, shot in the chest; Hans Camarena Barzola, 12, currently in serious condition as result of gun shot to the abdomen that also hit his liver; Edmundo (Culla) Zapata, 12, hit in the left knee and chest; and Daniel Pizzaro Casafranca, 17, a friend of Azcueta who was hit in the right leg.

[Being Pizarro recording] A man holding a machine gun suddenly appeared and started shooting at everyone who was beside Michel.

[Unidentified reporter] Indiscriminately?

[Pizarro] That is correct.

[Reporter] He was not shooting directly at Michel?

[Pizarro] No, I was standing in front of Michel. [end recording]

At 1200, Azcueta was transfered to the Police Hospital amid strict security measures.

* Government Policy on Human Rights Questioned

93SM0289A Lima IDEELE in Spanish May 93 pp 4-6

[Text] A few days after the first anniversary of 5 April, observed by engineer Fujimori with a speech full of self-praise in which he expressed satisfaction over the self-coup as well as over the support he received from the Armed Forces, everything is apparently under control. It could hardly be otherwise. Even though his initial plans were being modified in response to international reactions to his self-coup (see IDEELE No. 50), a year later the engineer had in his favor a combination of factors that, from a political point of view, seemed to assure the stability and solidity of his regime. These were, among others, the continuing support of the Armed Forces, the support of a majority of domestic public opinion, and the tacit consent of the international community to the process—doubtful to us—of return to democratic institutions. Doubtless, the principal basis for this legitimation was the capture of the main subversive leaders.

The only problem disturbing this process was (and is) that of human rights. With dark clouds still present from the previous storm, weathered with difficulty by the government through its acceptance of the conditions set by the United States (see IDEELE No. 48), this problem returned to shake the regime's political stability.

The starting point for this new crisis were statements made by the Commanding General of the Army, General Nicolas de Bari Hermoza Rios, who said that a campaign to damage the prestige of the Peruvian Army had been orchestrated by a group of congressmen, "apparently in collusion with terrorism," who were trying to undermine the confidence that the nation and the people reposed in it, and that: "I am not going to tolerate it."

The statements were made after the general had finally appeared before the Human Rights Commission of the CCD [Democratic Constituent Congress] (new Congress), where he had been invited to appear for the third time to provide information on the disappearance of nine students and a professor from La Cantuta University in July 1992. As will be recalled, on the morning of 18 July, despite absolute control over the premises by the Armed Forces, a group of unidentified persons entered the university residence and forcibly removed the 10 persons.

Immediately after making the statements, General Hermoza received expressions of solidarity from all the chiefs of his service branch who, to leave no doubt, not only issued communiques of support, but also brought their tanks into the streets on two consecutive days. The other branches and the police followed along belatedly, backing Hermoza for "defending the prestige of the Armed Forces."

In order to avoid a crisis, the government chose to minimize the confrontation and end the incident as quickly as possible. Engineer Fujimori arranged for (invented) a date to celebrate the 999 days of his tenure in order to convey a conciliatory message, unusual for him. While the minister of defense and the president of the CCD forced smiles in order to present a picture of conciliation and mutual respect between institutions, they also provided a peculiar interpretation of what Hermoza Rios had said. The minority went along with this solution, quickly expressing their satisfaction with Minister Malca's explanation. It seemed that the storm had been avoided.

Thus far, these are the facts and the perceptions. Nevertheless, a brief review of them will provide elements for an analysis concluding that the matter is not closed, and that its end is not yet in sight.

It is obvious that, for the first time in the history of the regime, there is a degree of political autonomy in the Armed Forces with respect to President Fujimori. The military, at the initiative of their commanding general, are acting on their own and taking positions openly, bypassing Fujimori, whose control over the military institutions seemed very solid until now.

In the second place, it is evident that the military did not bring out their tanks just to frighten a wayward minority, or in collusion with terrorism, or because the "investiture" of the commanding general of the Army was spoiled. Nor was it a seditious movement that was trying to oust Fujimori. The affirmations of obedience to the president's authority were explicit.

In the third place, there is an obviously refractory attitude toward investigations of human rights violations that might involve members of the Armed Forces. The opening of the investigation within the jurisdiction of military law in the La Cantuta case seems aimed at repeating the well-known theme that the military judges itself.

A final element, among others, is that the basic information about the La Cantuta case and others, such as that of the students from El Centro University, seem to come from within the Army itself, according to some indications, and involves important persons in the military leadership. This leak of information shows that control by Hermoza's group is not total and that rifts remain.

However, several hypotheses have been advanced that explain the attitude of the military. These range from the most far-fetched, which suggests that it might have been a maneuver designed to force, with the threat of a military coup, international support for Peru's progress in human rights; to the most banal, that claims it was merely a brusque remark by an officer hypersensitive to issues touching upon his service branch.

We lean toward the hypothesis that relates this problem to the precarious nature of the pact between Fujimori and the military. In that connection, it is worth remembering that one of the basic elements on which the engineer gained the support of the Armed Forces for his self-coup was his agreement to go along with military requests to create a political and juridical situation that would allow them to take decisive action against the subversives, relatively free of controls and investigations, and with strong support from the political institutions.

During the past year, the agreement has worked basically in this way. Nevertheless, the political profits were obtained by Fujimori, who used them to consolidate his position, while the costs went to the military, largely because of problems of human rights.

For reasons of pure pragmatism and in order to advance his agenda, Fujimori was obliged to accept conditions on matters pertaining to human rights, just as the CCD had done. At the same time, as international pressure increased, the ambiguous presidential discourse on the subject contained not so subtle messages aimed at the military. Recently, in a meeting with the National Police, he said: "In the future, the chiefs will pay for their subordinates."

The military probably felt that Fujimori, on allowing the conditions to begin to take effect—it must be remembered for example that the first meeting had taken place between an intersector commission of the state and the National Coordinating Committee for Human Rights—as well as investigations into the La Cantuta affair and others, was not complying with the terms of the alliance established on 5 April 1992, and that the president's strategy could place them in jeopardy.

It seems likely that the military was aware that the government had the ability to stop the investigations without much fuss. It does, after all, control the CCD and the judiciary. As a result, the military decided to take a short cut in order to prevent the possibility of a criminal trial, which the investigation was leading to, and a trial that could get out of their control.

One can say that, with their action, the military was sending a message to Fujimori, the content of which was: we began this together and we have to finish it together. It can be argued, therefore, that the so-called "tancazo" [tank rebellion]—for others "tancada" [tank demonstration]—was designed to reinforce the terms of the agreement with the engineer. This simply means that the military is not prepared to be immolated on the altar of presidential interests.

There is also another factor. With this gesture, the Hermoza Rios' faction could also have been seeking to reaffirm its supremacy in control of the Armed Forces. Only the existence of a behind-the-scenes struggle for hegemony can account for the fact that the information that set off this affair logically had to come from inside the Army itself.

In any case, although there are those who maintain that the crisis has not seriously threatened Fujimori's stability or power and, on the contrary, that it could redound to his advantage, it is evident that the conflict has damaged Fujimori's fortunes. It is a missile-hit at his water line. The engineer's desire to be reelected is evident, and for that he needs to make his regime legitimate before the international community, presenting a facade of democratization and separation of powers, and of respect for human rights. This has clearly been questioned.

After this "incident," it is going to be very difficult to maintain (even from the point of view of the government) that there is democracy, separation of powers, and integrity in the country. The CCD, natural child of the Fujimori regime, diminished in its functions by a submissive majority and barely redeemed by the investigative impulse of the minority, suffered a very severe blow. How is the engineer going to convince the international community that there is democracy in Peru without removing the general who rose up against the "power" of the state? At the same time, however, Fujimori needs the Hermoza Rios faction to continue to control the Armed Forces. He does not appear to have created a new system of loyalties inside the military institutions.

In general, the solution adopted by the government does not seem to have brought it to a position of greater strength. It is basically a compromise solution that, in the near term, seeks to conciliate two key elements in the power structure that, because of the way the confrontation occurred, are now mutually exclusive. Even more, it is likely that as long as the basic problems that caused this crisis remain unresolved, they will tie the government's hands and narrow its room for maneuver.

A political solution toward democracy would be to obtain the immediate retirement of General Hermoza Rios, but that would certainly require Fujimori to alter his power system. This goes beyond merely replacing the officers who lead the Armed Forces. It would require making a clear choice for democratic institutions and civilian control. There is much doubt that this will

happen; the same kind of doubt as that over the possibility that the investigations of the La Cantuta and El Centro cases will proceed to their final consequences. The time is not yet ripe for that to happen.

* General Robles Views Army Relations, La Cantuta

93SM0288A Lima CARETAS in Spanish 13 May 93 pp 20-23

[Interview with General Rodolfo Robles Espinoza by Correspondent Jimmy Torres in Buenos Aires; date not given]

[Text] A few hours after his arrival in Buenos Aires, General Rodolfo Robles was besieged by the international and Argentine press. CARETAS did not want to hear what he had already said in his written testimony, which had caused a true political earthquake. What is more interesting is to find out just who is this general who has been showered with the crudest denunciations and will continue to be so long as the regime feels cornered by his attitude and accusations. Following are statements that describe him completely and at the same time reflect his difficult relations with the army's current leadership. The story is short, as tends to be typical of great dramas that stand out by the strength of their events.

[Jimmy Torres] General Robles, since the beginning you have been considered a military man in Engineer Fujimori's inner circle....

[Rodolfo Robles] That is not true. I was never in President Fujimori's circle. I have always been an institutionalist soldier. I have always accepted the decisions of the high command, that is, the policies of my institution. I am not a Fujimorist. I am an institutionalist.

[JT] But didn't you support the 5 April decision?

[RR] In effect, I did sign the communique of the 5 April coup as Commander of the III Military Region, the country's most powerful region.

[JT] Why did you support Fujimori then?

[RR] I will explain it to you. The day before 5 April, Saturday the 4th, I was in Tacna. There I received an urgent call from my commanding general, who ordered me to be in Lima Sunday morning and report to general headquarters.

On Sunday at 10 in the morning, all of us, the regional heads and the senior commanders, were in the operations room of the army command located on the fifth floor of the so-called Little Pentagon.

Though you may not believe it, Vladimiro Montesinos was there, and for one hour, using documents, photographs, and videos of stakeouts of terrorists, he made a presentation of the serious situation of the country.

[JT] Who was with Montesinos that day?

[RR] He was accompanied by soldiers. But the situation that Montesinos painted for us was rather pathetic, or at least we understood it to be. He showed us an album of terrorists who had been caught, but he indicated at the same time that subversion was on the increase.

The situation was quite serious, according to Montesinos, and all because of the obstructionist work of the congress. By then it had rejected the proposed laws the Executive had sent and its attacks on the armed forces were frequent.

[JT] But there is a contradiction. The congress had rejected the proposals it did not consider coherent, but what it was mainly doing at that time was investigating the events surrounding the Barrios Altos killing. Moreover, it had not approved the promotions of some generals believed to be in Montesinos's circle.

[RR] Maybe we were manipulated. But at that time I was not in Lima. I was military head in Arequipa. I was not involved in politics. I have no friends in politics. My biggest problem, apart from subversion in Puno and the high areas of Arequipa, was to guard the border with Chile.

[JT] Did you fight subversion and succeed in pacifying that zone after 5 April?

[RR] No. I had started earlier. We implemented the famous "bread and friendship caravans" in the neediest areas and in those with a terrorist presence. Thus we alleviated the danger to the poorest families and they, in gratitude, told us who the terrorists were. We helped them build their towns, roads, and bridges, and obtained more information.

[JT] Then what was the reason for 5 April if you believe you were manipulated?

[RR] I accept that possibility now. But at the time, who could argue against Montesinos' presentation? He spoke with a great deal of backup from photos and videos, and he discussed a series of events that were worrisome for the country.

[JT] Who else spoke that day?

[RR] Army Commander in Chief General Nicolas de Bari Hermoza, who touched upon the area of operations, in the same tone as Montesinos. He explained to all of us the obstacles that we continued to face in our counter-subversive struggle. Hermoza himself had already drawn the conclusions. He told us we were going to shut down Congress. Also the supreme court and prosecutor's office, because they were freeing all the terrorists we were capturing, claiming lack of proof. They told us we would have new antiterrorist legislation.

[JT] How many hours did it take to decide the future of Peru?

[RR] Two hours. One for Montesinos' presentation, and another for Hermoza's. They were certain that subversion would defeat us and would take control of the country. Fujimori knew of the meeting and arrived at noon. Hermoza handed him the act of support all of us generals had signed, with the conviction that our army must not be defeated by terrorism.

[JT] Everything was coordinated that day?

[RR] I believe so. I, like the other region heads and the high command, did not know why we were to meet that day. Montesinos and Hermoza told us afterwards that each region head had an airplane waiting for him at Air Group No. 8. That implied that everything had been planned in advance, but few knew of the measures.

[JT] As on that occasion, perhaps now in the CCD no one is questioning a sector of the armed forces, especially the army, about the la Canuta incident?

[RR] What the CCD wanted was a return to representative democracy. To a balance of power and no longer to the 5 April stage. So why not permit a committee to investigate what occurred at la Cantuta? I recognize the integrity and bravery of the CCD minority in the la Cantuta case. I don't know a single politician, but I don't believe the army was being attacked. An investigation was being carried out, and the high command's pressure to stifle this investigation is what particularly interested me, and led me to begin to look into the details of this case. I called several military colleagues, I spoke with them. They gave me documents and information, and through the various versions I concluded that what Dr. Henry Pease said was true.

[JT] General Hermoza, however, said that some congressmen seemed to be in collusion with the terrorists.

[RR] The truth is that a trial balloon was floated to shut down the CCD. I opposed that because although the CCD had many faults and defects, it is an element of democracy that the country needs. Nevertheless, Hermoza read his results and sent out the tanks, everything was ordered by Hermoza. That is not what they want to make us believe, that it was a clear demonstration that the troops had done it in solidarity with their commanders. It was all ordered by Hermoza and planned by Montesinos.

[JT] You wanted to identify yourself from the beginning with General Salinas Sedo's movement. You were even questioned because your intelligence service did not detect Salinas on his trip by road from Arica to Tacna....

[RR] That was engineered by the SIN [National Intelligence Service] and Vladimiro Montesinos. I have nothing to do with the movements of General Salinas, for whom I hold deep respect as a person and for his ideals. But in this case, I disagree with his procedures.

[JT] Did you agree to the treatment they gave the soldiers associated with Salinas?

[RR] I never agreed to it. I was always opposed. They suffered unnecessary mockery and humiliation and soldiers should be treated according to their rank and not sent to a prison like Lurigancho. However, I do agree that soldiers that commit a crime like homicide or drug smuggling should be dismissed, tried in the civilian courts, and sent to the prison befitting them.

[JT] When the change orders arrived in December 1992, were you expecting the General Inspectorate, did you feel you deserved it? You were sent to the training command. Didn't you harbor a resentment from that time on with your command, with Fujimori, with Montesinos?

[RR] I did not harbor any resentment. I accepted it with discipline. My career has always involved commanding troops. I have been an instructor in all the schools. The only thing I lacked was to have the instruction command. For me it was fine, but not necessarily what would have been appropriate. The measure was undoubtedly deliberate. Now I understand that it was to remove me from the army inspectorate, because they knew I would not have permitted something that was not procedure and beyond military norms and dignity. If I had been investigating the la Cantuta case, whoever it might hurt, I would have pursued it to the end because that is how I am. And the military knows that.

[JT] What was General Hermoza's support on 21 April?

[RR] That day Hermoza called us to the joint command of the armed forces. He gave us a talk on the situation. He said the army was being attacked by the CCD. I no longer believed it. There was a certain euphoria about the tanks going out. Hermoza had us circulate a document he had prepared. It was a statement supporting him. Several generals began to sign their names. I had to do it, because if I did not do so immediately they would have dismissed me. It would not have been useful at that moment to confront Hermoza.

[JT] On that date, did you already have information about how the army's paramilitary group operated?

[RR] Yes I did. I was worried. I had the idea of proceeding anonymously. On 17 April I spoke with General Picon of the military high court, who was my friend, and told him to carry out his duty to the fatherland and not to Hermoza's and Montesinos' devices.

Picon told me, "We have to leave it at that for now, until the people forget, because the inspector general of the army has concluded that there is no responsibility. They are accusing those who were responsible. You have no names. This is a fight between the 'terrucos' and the CCD supporters."

I told him that was not true. This would be a permanent stain on us when the committee came to the true conclusions, and they would throw back in our faces the fact that the whole army was covering up the facts. The professional army, which is the great majority, is not to blame for the existence of a group of hired assassins. I

told him of the army's historic role, the prestige of the institution. Then Picon told me, "give me names, and I will make the accusations."

[JT] What did you do then?

[RR] There was the tank demonstration in support of Hermoza. During that pause, I obtained the names. On 26 April I went at 10 pm to Picon's house, and told him, "Pepe, here they are...." Picon took note of them. On the 27th, my collegue, my friend, betrayed me; he had informed on me. That is how he hoped to be promoted to division general. On the 28th, they gave me my change of assignment.

[JT] What was the day like when they gave you the orders to change assignment?

[RR] It was just like a movie. On 28 April at 2200 they called me to the general command. Everything was guarded. As never before, there was a great display of personnel in combat gear. It looked like they were going to war. Before entering Nicolas de Bari Hermoza's office, they asked for my pistol. I was surprised at the request. However, I handed over my pistol.

[JT] Did you think the worst?

[RR] A division general is never asked for his pistol. Even in the most recent meetings with the high command we have gone in with our pistols. But what I do know is that in recent days there has been a total mistrust of everyone, even the generals, they are requested their pistols before entering Hermoza's office. One can imagine his fear.

[JT] What happened that night?

[RR] I was surprised because I was the only division general. Some officer friends, knowing they could be heard, gestured vaguely to me that the situation was about me. I asked, what situation? "Do not say anything," they said, "but in the other room are the heads of the Special Forces Directorate, the Commando School of the Armored Division, and the BI 19, and they are awaiting orders from Hermoza about you." When I was in Hermoza's presence, he told me, "you know that it is within my authority to make changes, and I am naming you to the JID [Inter-American Defense Board], in the United States." He praised me, he spoke kindly, but I already knew that story. He had done the same with other officers sent to the JID. At that point, I realized they were banishing me. I told him he had surprised me and I accepted it as a soldier. I did an about-face and left. Of course I did not thank him. I had nothing to thank him for.

[JT] Why all the elite units from the Peruvian army's general command that night?

[RR] They expected a violent reaction on my part. They wanted to set a trap. But they warned me that all the units were under orders not to make a move. They wanted to accuse me of supporting a coup.

[JT] Did it ever occur to you to react against Hermoza?

[RR] After receiving the orders to change, I went to my house. During that time I received more than 20 calls. They told me, "Coward, why don't you fight? We will support you, the regions are on your side. Go to the Coinde, your troops are waiting for you." It was undoubtedly counterintelligence. They wanted me to cross the line, they wanted me to go to the Coinde, it was a trap, according to information from generals and colleagues. These friends advised me not to go because they were going to kill me. In effect, that is what Hermoza and Montesinos wanted, and then label me a coup supporter. They did not know that I still have loyal friends in the institution, who are military and professional.

[JT] After that, all your moves were monitored?

[RR] Yes. I was followed 24 hours a day. The telephone was tapped and they were very fearful that the troops would rise up. But that was not my intention. It was not my fault that military friends at all levels were in solidarity with me and that bothered Hermoza and his circle.

[JT] After your statements, Fujimori reviewed the administration of General Hermoza and his adviser Montesinos. Which of the three really governs the country?

[RR] That is a conclusion that every thinking man in the country can draw. What is truly of concern is Fujimori's attitude. I will not cease in my fight to say things. I will fight for the truth, the truth for which I have documentary proof.

[JT] Finally, there are accusations from soldiers that they were forced to fill out ballots for the CCD candidates, especially for those of Cambio 90. Did you lend your support as well?

[RR] Yes, I knew of those accusations. But I was in the III Military Region. They knew they could not count on me for that. That is why, when Jaime Yoshiyama traveled to Arequipa, he called me at home to request my support. When he arrived, I did not go to receive him. Out of courtesy I sent him an aide-de-camp. But anecdotal things occur, like the request to send troops in civilian clothes to the stadium where Yoshiyama would be, to cheer for him and fill out his ranks of supporters. Yoshiyama made the same request when he went to the Plaza de Armas to raise the flag. I did only my duty as a military chief. I sent the personnel who should have gone, but in uniform, and only to provide security. Perhaps that was one of their reasons for cutting off my career. But it is not important, I will return to my country, there are only three of us (me and my two children) and we will fight for the dignity of our army and the country.

Uruguay

Government Requests Postponement of 1 Jul Mercosur Summit

PY1606191193 Buenos Aires TELAM in Spanish 1448 GMT 16 Jun 93

[Text] Montevideo, 16 Jun (TELAM-SNI)—The Uruguayan Foreign Ministry has asked Argentina, Brazil, and Paraguay to postpone the Mercosur [Common Market of the South] presidential summit scheduled to be held in Asuncion on 1 July.

Uruguayan Government sources consulted by TELAM-SNI stated that Uruguay is making this request because "there are no powerful reasons for the presidents to meet, because the sub-technical groups continue working on the issues established in the Las Lenas timetable, and there is no urgent or decisive issue to be discussed on this occasion."

Moreover, the Uruguayan Foreign Ministry has requested the holding of a meeting of the Mercosur Council of Ministers to discuss negotiations on the establishment of a single customs tax. However, it has already been decided that it will be the deputy economy ministers, and not the economy ministers, who will attend this meeting, due to the highly technical level of the discussions.

President Removes Military Intelligence Chief

PY1206011993 Buenos Aires TELAM in Spanish 2314 GMT 11 Jun 93

[Text] Montevideo, 11 Jun (TELAM-SNI)—It has been officially reported that Uruguayan President Luis Alberto Lacalle tonight relieved General Mario Aguerrondo, director of the Defense Ministry's intelligence services, and named General Luis Abraham to replace Aguerrondo.

In a communique issued by the presidency, Aguerrondo will become director of the Army's Ordnance and Services School.

The executive branch's decision was made known after Defense Minister Mariano Brito and Interior Minister Juan Andres Ramirez appeared before the Senate to report on the events that involved the disappearance of the Chilean citizen Eugenio Berrios.

Congressional sources who participated in the meeting told TELAM- SNI that although the meeting was secret, it has been learned that the reports submitted by ministers were presumably very complete, although "they did not add much to what has been released the media."

Venezuela

Velasquez Appoints Defense Minister, Military Command

PA1606155393 Paris AFP in Spanish 1443 GMT 16 Jun 93

[Text] Caracas, 16 Jun (AFP)—It was officially announced on 16 June in this capital that acting President Ramon J. Velasquez has appointed the nine members of the Venezuelan military high command, with Vice Admiral Radames Munoz Leon replacing Air Force General Ivan Dario Jimenez as defense minister.

This action has surprised experts, who were expecting Jimenez to be replaced when he retired in July. However, Velasquez has appointed a new defense minister and has also authorized the following appointments: General Jorge Isaac Tagliafierro as commander of the Army; Freddy Yanez Mendez, commander of the Air Force; and Vice Admiral Julian Mauco Quintana, commander of the Navy.

General Manuel Andara is the Armed Forces inspector general. General Ismael Guzman has been appointed chief of staff, and General Pedro Romero Farias was appointed commander of the National Guard.

An official spokesman announced that the composition of the military high command is an exclusive prerogative of the president, who "acted fairly based on the merit and seniority of the appointees."

Merit and seniority are spotlighted every year shortly before July, when the president must authorize a list of promotions to present to Congress.

This year the process was marked by the existence of only a few promotion openings and by charges of political manipulation in considering the officers' merit. [Former acting President] Octavio Lepage was in charge of authorizing the list.

Lepage was acting president for 15 days after Carlos Andres Perez was suspended to face charges of fraud and misappropriation of funds from a secret state fund. Velasquez was later appointed president.

Since the two foiled military coups in 1992, the Armed Forces have been going through a delicate situation that includes alleged division and dissent among the forces and acts of corruption. Velasquez has decided to check those trends with a conciliatory policy.

One week ago a court-martial issued a warrant for the arrest of three high-ranking officers, including then Air Force Commander Eutimio Fuguett on charges of misappropriation of funds and deception involving money belonging to a logistics unit.

Armed Forces Comptroller General Sergio Geronimo also will be summoned to Congress next week in the framework of investigations involving officers charged with corruption.

* Venezuela-Colombia First Quarter Trade Detailed

93SM0274A Caracas EL NACIONAL in Spanish 5 May 93 p D11

[Article by Gustavo Azocar]

[Text] San Antonio del Tachira—Venezuelan exports through the San Antonio del Tachira Customs Office during the first quarter of 1993 came to a total of more than 9 billion bolivares. This figure exceeded that for the imports handled by this same customs facility by more than 2 billion bolivares.

This information appeared in a report published in one of the monthly bulletins issued by the San Antonio del Tachira Customs Office. The report was signed by Antonio Zandotti, an administrator in that office.

According to the report drafted by that office, Venezuelan exports across the Colombian frontier came to a total of about 9.49 billion bolivares, while the import total was about 7.1 billion.

The customs report emphasizes that the figures for the first three months of the year show a rather considerable increase in the export category. This may indicate that in fact, the firm belief that the Colombian-Venezuelan frontier route is a major bridge for international trade is being further confirmed with every passing day.

An analysis of the January figures shows that in that month, imports came to approximately 1.708 billion, while exports totaled 2.37 billion. The total for goods in transit through this zone in the State of Tachira came to slightly more than 200 million bolivares.

In February, imports reached a total of 2.263 billion bolivares, and exports also increased to 3.148 billion. The total for goods in transit was 162 million. The most heavily traveled route was that between Cucuta and Arauca.

The figures for March were more or less as follows: 3.78 billion for imports, 4.282 billion for exports, and 310 million bolivares for goods in transit.

The report said the movement of exports and imports is satisfactory, if the fact that these figures represent only the first three months of the year is taken into account. It is hoped that the figures will increase as time goes on.

Guyana

British Troops To Hold Postponed Joint Exercises

FL1506181693 Bridgetown CANA in English 1721 GMT 15 Jun 93

[Text] Georgetown, Guyana, June 15, CANA—A British military vessel was expected in Georgetown Tuesday [15 June] with 185 officers and Royal Marines to conduct training exercises in Guyana's interior with local soldiers.

The British High Commission here said the "Sir Galahad" would be ferrying British troops to Guyana for the first time in several years.

The visit is part of the final leg of a series of exercises being staged by the Royal Marines in the Caribbean.

The troops will from Friday to June 27 conduct joint training exercises in the interior with units from the Guyana Defence Force (GDF).

The joint exercises were to be held in 1991, but were postponed due to the "uncertainty" about the holding of general elections here.

The elections were held last October.

"Throughout the three years of planning, the Guyana Defence Force and the British High Commission have worked closely together to ensure that the exercise proceeds smoothly," the High Commission said.

The exercise also coincides with the three-day visit this week of Commandant General of the Royal Marines General R.J. Ross.

Gen. Ross will meet Guyanese leaders, inspect the Royal Marines in their exercise area and visit training facilities of the Guyana Defence Force.

The visit of the British marines follows closely on a similar one by U.S. Marines late last month. The U.S. Marines spent several weeks here in the interior on joint training exercises with the GDF.